



**MBIZANA LOCAL
MUNICIPALITY – EC 443**

DRAFT ANNUAL REPORT FOR 2017/2018 FINANCIAL YEAR

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Chapter 1: Mayor's Foreword and Executive Summary

Component A: Mayor's Foreword

This financial year marked a new term for the current council term which therefore means new vision and direction but not diverting from both National and provincial plans. We have set for ourselves a future that is defined in the following words, A "Vibrant socio economic growing municipality that creates sustainable communities with equal opportunities for all

"We adopted precise strategic objectives that are aligned to our vision which are also aligned to our provincial growth and development strategy. The strategic direction of the municipality is extensively outlined in our approved Integrated Development Plan. During the year, we examined our major institutional and services delivery challenges and thereafter agreed on priority measures to be taken to turn the situation around.

This report is an account of the major milestones that we have achieved during this financial year, it also outlines the challenges that we face.

1. Service delivery improvements

Key to our challenges is to continue ensuring that we build sustainable good governance practices in order to enhance service delivery and to ultimately attain our vision. During the year, we managed to witness the following service delivery highlights; connecting electricity to 1 299 households; constructing 23.6 kilometres of access road, rehabilitated 37.63 kilometres of access roads and constructed four community halls with ablution facilities; these highlights are but a few of the many achievements recorded in detail in this report. We understand that we have huge backlogs on service delivery due to our financial muscle but we commit to do all in our reach to deliver sustainable services with the resources we have as this municipality. We will also be engaging our partners in service delivery to ensure that we merge our resources.

2. Public Participation

We established and strengthened meaningful and sustainable public participation mechanisms for purposes of serving the public better. It is important to mention that the following public participation structures were established and function excellently:

- Ward Committees for each of 31 Wards;
- Integrated Development Plan Representative Forum;
- Mbizana Youth Council;
- Forum for people living with disabilities;
- Womens forum

- 10 war rooms

Despite progress highlighted above, we still remain with huge service delivery backlogs especially on water services provision, electricity supply, housing, and roads maintenance. This situation led to service delivery protests in some of the wards. The government of this country is committed to serve and fulfil the needs of this community.

3. Our future plans

This Municipal Council has committed itself to improve continuously its service delivery record from one financial year to the next. The municipality continues to establish development partnerships within and outside of the State entities. The main objective of these partnerships is to improve our service to this community and grow our local economy for growth and development.

4. Conclusion

This report reflects the intriguing times in which we find ourselves, and the progress that has been made to position ourselves to address the challenges of these times. The report contains lessons which must be taken into account as we strive to facilitate our intergovernmental relations work for a better public service and development.

Councillor T.D. Mafumbatha
The Honourable Mayor

Component B: Executive Summary

1.1. Municipal Overview

This Draft Annual Report for the financial year 17/18 was compiled in accordance with the requirements of the Municipal Systems Act, 32 of 2000; Municipal Finance Management Act, 56 of 2003 and the MFMA Circular No. 63 of 2012.

The services rendered by the municipality are provided in accordance with the assigned Powers and Functions and the prescribed Key Performance Areas for local government. The Powers and Functions are the following:

The Key Performance Areas for local government are the following:

- Basic Service Delivery
- Municipal Institutional Development and Transformation

- Local Economic Development (LED)
- Municipal Financial Viability and Management
- Good Governance and Public Participation

The report details the achievements made and the challenges faced towards the fulfilment of the municipal objectives outlined in the approved integrated development Plan (IDP); the Budget; and the Service Delivery and Budget Implementation Plan (SDBIP).

In terms of audit opinion the municipality has managed to sustain the unqualified audit opinion. We pride ourselves of this improvement it has showed commitment and team work amongst management staff and political leadership. Municipality has developed and is in the process of implementing the Corrective Action Plan with the intention and a commitment to progressively correct all areas of weakness identified by auditor general.

The municipality is functioning with full management team that joined the municipality in 13/14 financial year and proud to say this team has achieved a lot and still has more to achieve.

The municipality further conducted a comprehensive risk assessment; the assessment process identified five (5) top organisational risks. The top 5 risks were the following:

The risks mitigation measures were developed and implemented and the implementation process is continuing.

- Mismanagement of natural resources (land , marine and general
- Limited capacity to respond to environmental threatening incidents
- Land invasions and informal settlements
- Decline in number of tourists
- Delays in projects implementation.

Though there is improvement we still need to work on our intergovernmental relations we still have those adhoc relations with the government relations though some are showing improvement and real commitment in supporting municipal programmes.

This report has been examined by the Municipal Public Accounts Committee (MPAC) for the purposes of determining whether the activities recorded in the report were indeed carried out during the financial year. MPAC will thereafter submit its Oversight report at a Municipal Council for consideration and approval. The Oversight report approved by Council shall then be publicized together with the Annual Report before the end of March 2019

1.3. Financial Health Overview

Mbizana Local Municipality has experienced a relatively stable financial status during the recent past financial years. The 2017/18 financial year has not been different regardless of the increased pressures on what the municipality is required and expected to do.

As it can be seen in the demographics paragraphs above, the municipality is located in the rural part of the east of the Eastern Cape, and as such does not enjoy a large base from which to draw revenue. The municipality is only able to derive income from electricity distribution and solid waste removal in the town or urban area of the municipality, It is also able to levy property rates in the urban area and other rateable properties outside of town like the Wild Coast Casino and government properties like schools. Clinics and police stations. These are the revenue streams in which the municipality must strength to ensure the going concern.

The communities have emphasized their need for households to be electrified, and the municipality has had to avail funds from its reserves built over the years. This has seen the cash and cash equivalents significantly reduced in the 2017/18 financial year even though some areas of saving ensured a healthy financial status is maintained and this is also due to the fact that the electrification projects are handed over to ESKOM for distribution purposes at completion.

Another factor to be considered is that the municipality still relies heavily on grant funding from the National Revenue Fund. This means that it would really struggle to survive would these grants be discontinued. This calls on all involved to put their hands on deck in ensuring that new revenue streams and local economic growth are realised within the municipality.

It must be emphasized though that the municipality has, overall, managed to maintain a healthy financial position, and this is evidenced by the also the improved audit results that have been received in the past two financial years.

Revenue Trends of the Municipality

As indicated in the paragraph on financial health, the municipality is heavily dependent on grants. Although these may be guaranteed by the fact that they are legislated, this is usually threatened by continuous inability by municipalities to spend the allocated funds for conditional grants. The municipality has fully spent all its conditional grants for the year. This almost guarantees that all gazetted grants will be received by the municipality as it has been the case in the past two financial years.

The municipality past financial years reported serious electricity losses, having a negative impact on the ability of the municipality to generate revenue. A turnaround strategy was crafted that saw a number of projects being implemented over the years, one of which was the meter replacement for identified large users of electricity. This resulted in a turnaround and as such in the 2017/18 financial year the municipality was able to at least break even if we consider the main input which is electricity purchases.

The turnaround on the electricity has had a positive spin off on the collection rate which has improved to more than 100% as at the end of the financial year. This means that the good work that has been started on this revenue source needs to be maintained and improves as much as possible.

Some revenue streams still experience difficulties. This is evidenced by the poor performance of the solid waste removal with just about 53% achieved of the budgeted target. A number of reasons for this have been identified but the main reason can be attributed to the alignment of the applied tariffs to

mainly the businesses where the service is provided. Measures are being put in place which we anticipate will show results during the 2018/19 financial year.

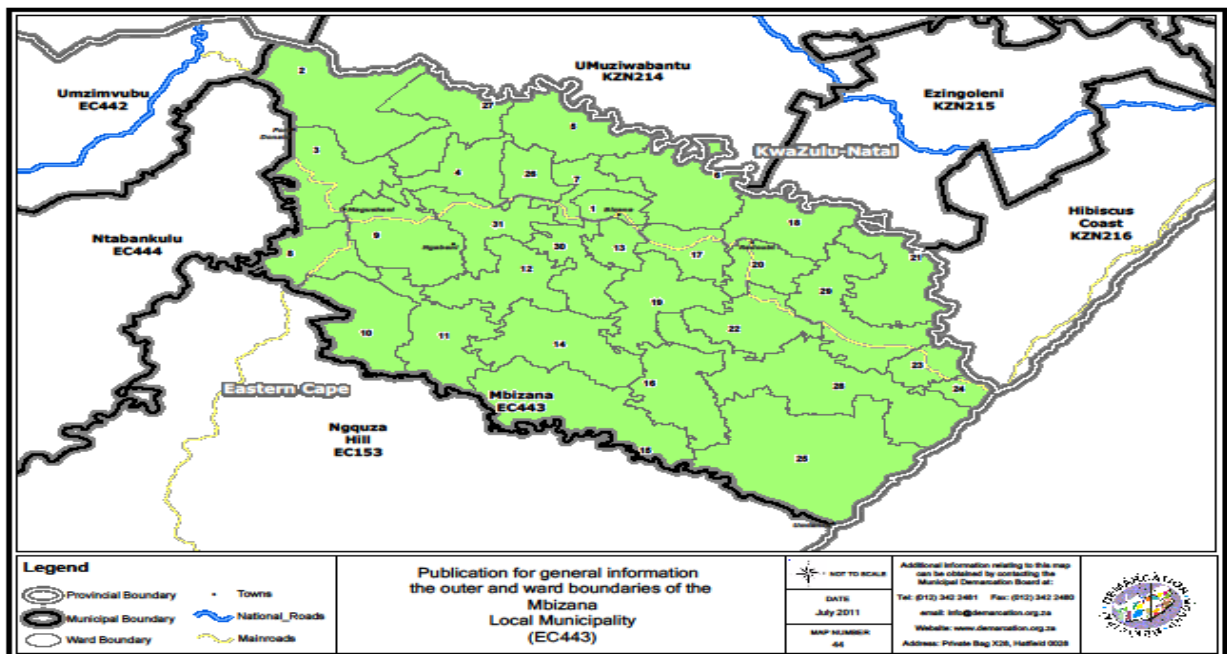
Mr L. Mahlaka
Municipal Manager

1.2. Municipal Functions and population Overview

(a) Brief Description of the Municipal Area

Mbizana Local Municipality is a category B municipality situated within the Alfred Nzo District Municipality in the Eastern Cape Province. It is made up of the main town of Mbizana and surrounding villages. It covers an area of approximately 2 806 km². Mbizana, the political and administrative municipal seat, is located on the R61 road connecting KwaZulu Natal South Coastal boundary to the N2 leading to Mthatha. Dominant land uses within Mbizana Municipality are mostly rural with a large emphasis on subsistence agriculture in the interior and some tourism development along the coast. The natural environment in the coastal belt of the area is in an unspoiled condition and has exceptionally high conservation value. The conservation value of the inland areas is significantly lower than the coastal areas due to human activities. The municipal area is divided into 31 wards as shown in the figure below:

Map 1: Mbizana Locality map showing ward boundaries



(b) Vision and The Mission of Mbizana Municipality

“Mbizana aims to be a flourishing local municipal area with a growing economy creating employment and sustainable communities where everyone has access to equal opportunities”.

The mission for Mbizana Local Municipality is to be a well governed municipality committed to discharging its legislative and constitutional mandate through:-

- Investing in its people to fight poverty
- Providing affordable services
- Facilitating a people-driven economy
- Building sustainable communities
- Protecting and preserving its environment to the benefit of its people
- Strengthening a culture of performance and public participation

(c) Population by Municipalities under ANDM

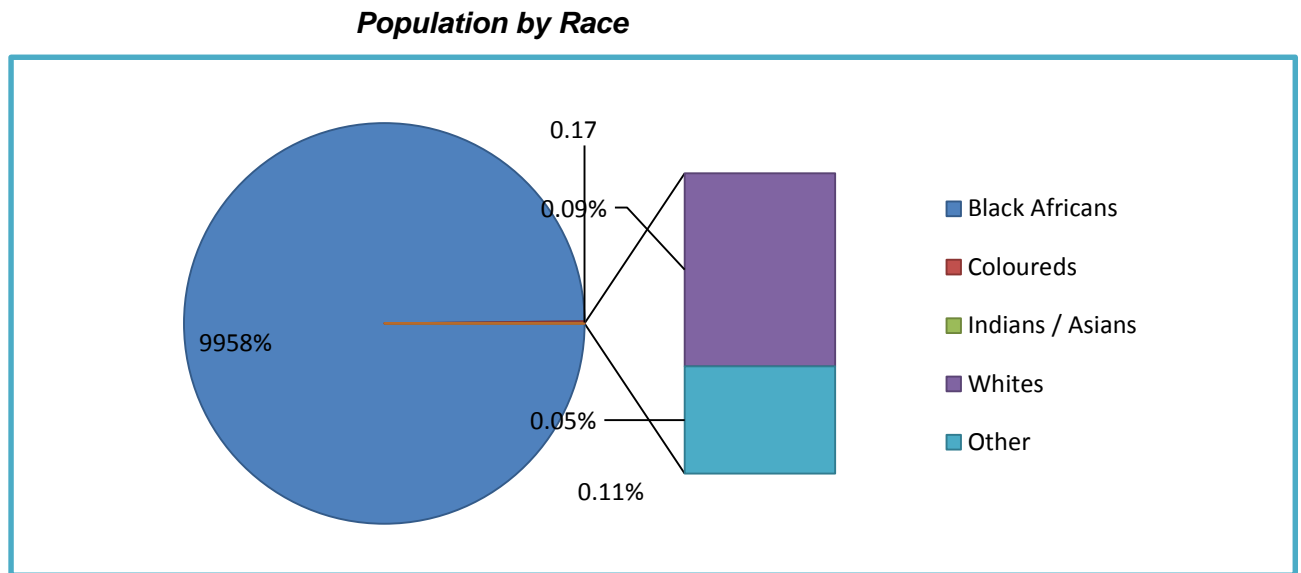
Mbizana local municipality has an estimated population of 281 905 within an area covering 2 806 km² to 319 948 living in 61 383 000 with an estimated household average of 5.2 persons per household (CS: 2016). Within the Alfred District, Mbizana has a largest population compared to other three municipalities under Alfred Nzo District Municipality, but it is the second largest in number of households. The table below demonstrates the total population, number of households and the average of households per municipality within the district.

(d) District Population by Municipalities

Municipality	Census: StatsSA 2011		
	Total Population	Number of Households	Average households size
EC443: Mbizana	281905.1	484 47.3	5.8
EC441: Matatiele	203842.6	495 26.6	4.1
EC442: Umzimvubu	191620.4	468 90.6	4.1
EC444: Ntabankulu	123976	243 96.8	5.1
DC44:Alfred Nzo	801344.1	169 261.3	4.7

(e) Total Population Distribution by race

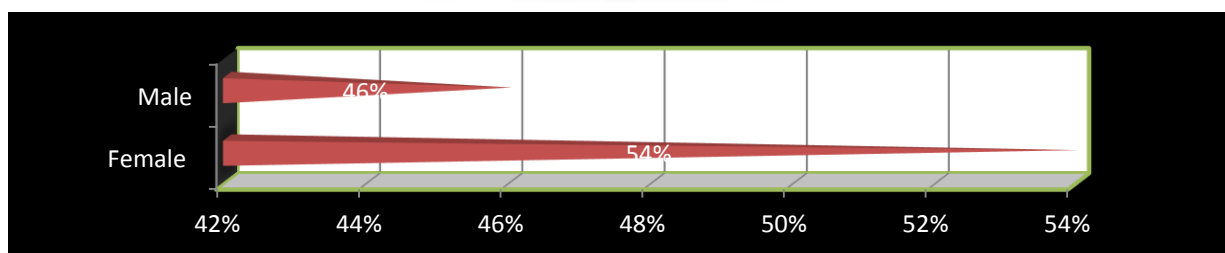
Mbizana Municipality has an estimated population of 281 905 people living in 48 447 households which represent an estimated household's average of 5.8 persons per household (StatsSA: 2011). The largest population group in Mbizana is Black Africans at 99.58% followed by Coloureds at 0.17%, Indians or Asians at 0.11%, Whites at 0.09% and others at 0.05% as shown on the chart below:-



(f) Population by Gender Distribution

There are more females 153 572.8 than males 128 332.3 in our population. This calls for dedicated programmes of integration and incorporation of women in key planning and decision making roles of our municipality.

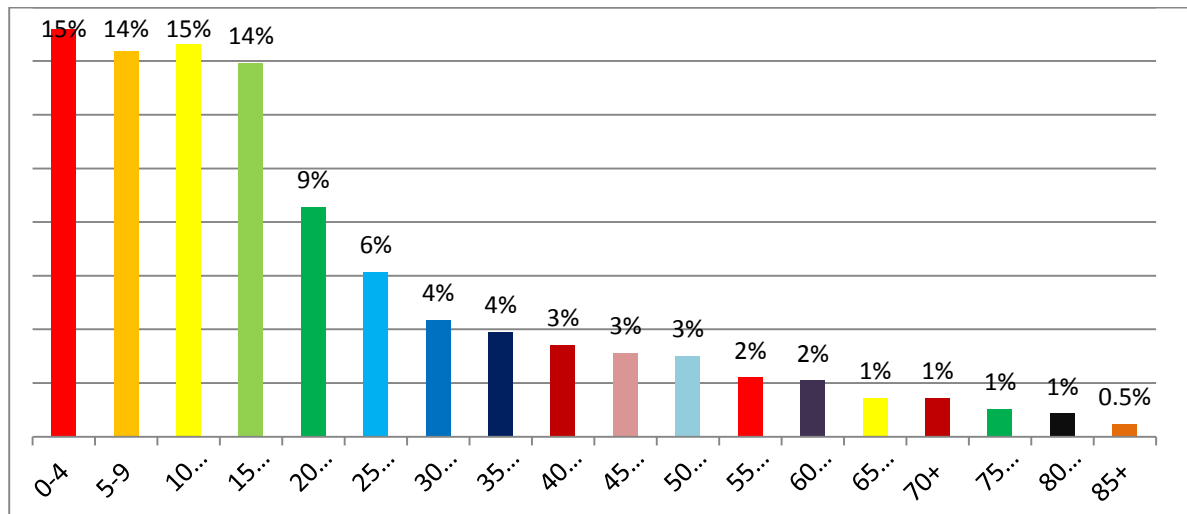
Population by Gender



(g) Population by Age Distribution

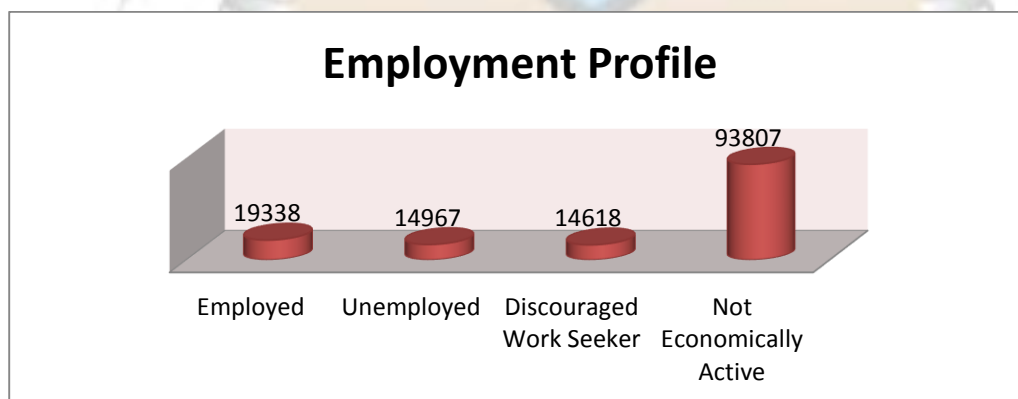
The age profile below shows that approximately 77% of Mbizana population is young people between 0 to 34 years old. These population trends oblige government in all levels to ensure that a large percentage of the budget is allocated to youth development and learner support programmes in order to deal with the needs of this majority section of our populations. The elderly people age group 60 and over accounts for 6.5% of the total population.

Population by Age Distribution



(h) Employment Profile

Approximately 56% of Mbizana total population is employed and that shows an improvement in previous years in terms of creating new job opportunities. The remaining 44% includes not employed and not economically active population.

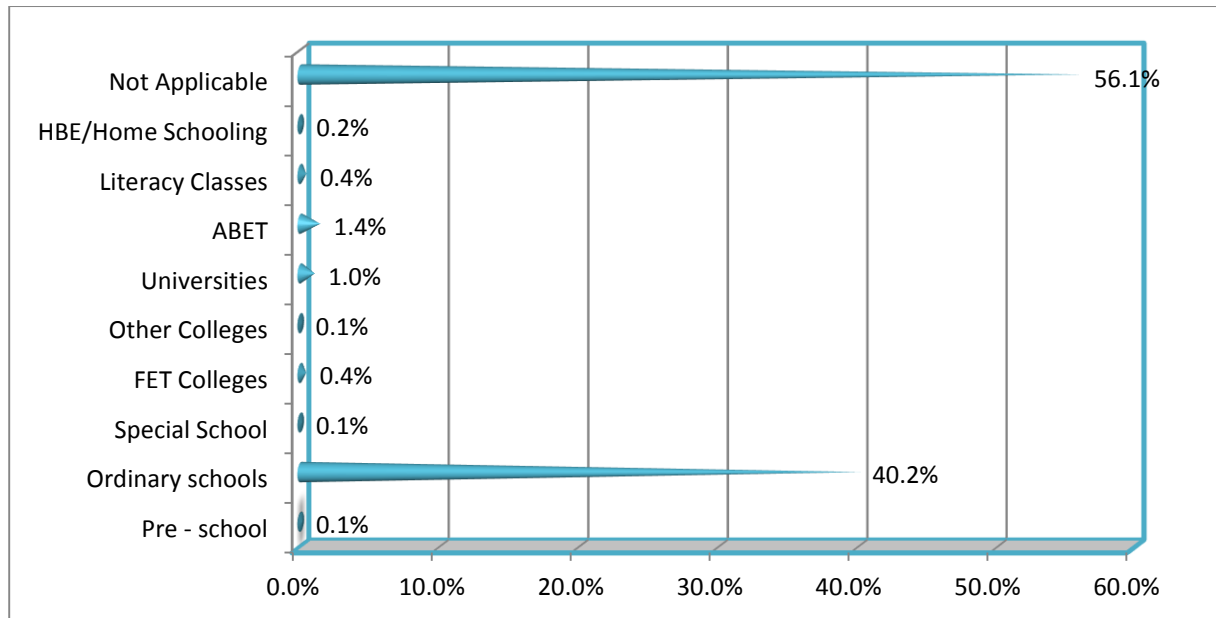


(i) Educational Profile and Literacy Levels

Education plays a fundamental role in community development as it provides a set of basic skills for development, creativity and innovative abilities within individuals. The South African Constitution states that everyone has a right to education. Educational levels for Mbizana are low with less than

50% of people attending at pre-school, primary schools and secondary school level. Only few people attend post matric studies and that calls for the government to have enough resources allocated for education as primary factor.

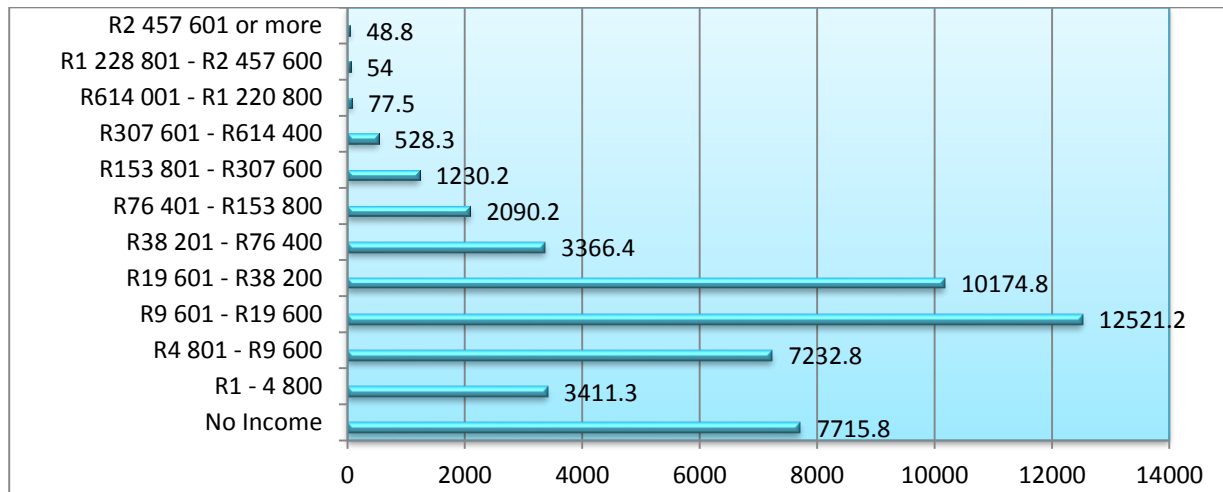
Educational & Literacy Level



(j) Distribution of Households by Income

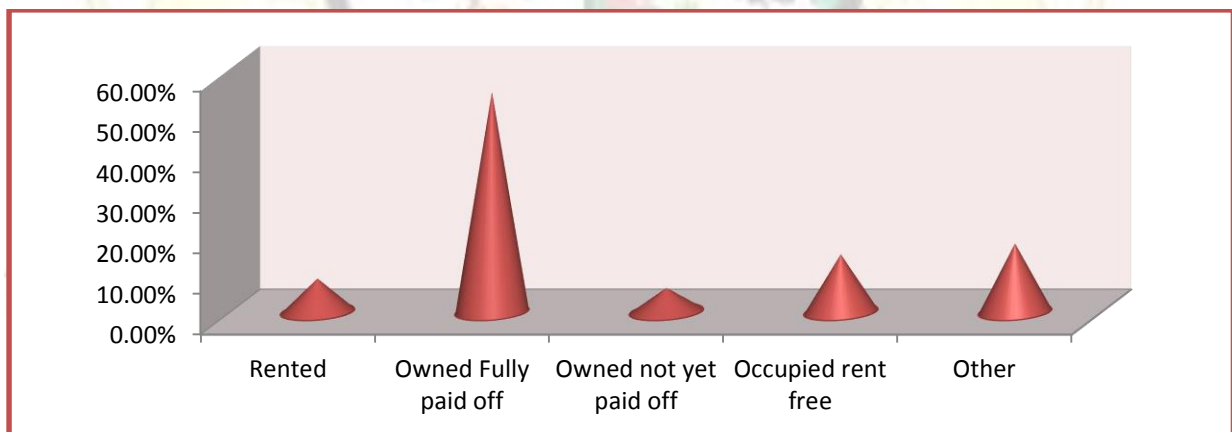
According to Statistics South Africa Census 2011, approximately only 7715.8 (2.74%) of people have no income and that shows another improvement as compared to 2007 community survey where 76% of the total population had no income. As shown in chart below the biggest number (12521.2) which is 44% of Mbizana total population is earning between R9 601 – R19 600 and the lowest number of population (48.8) which is 1.73% is earning R2 457 601 or more .

Distribution of Household by income



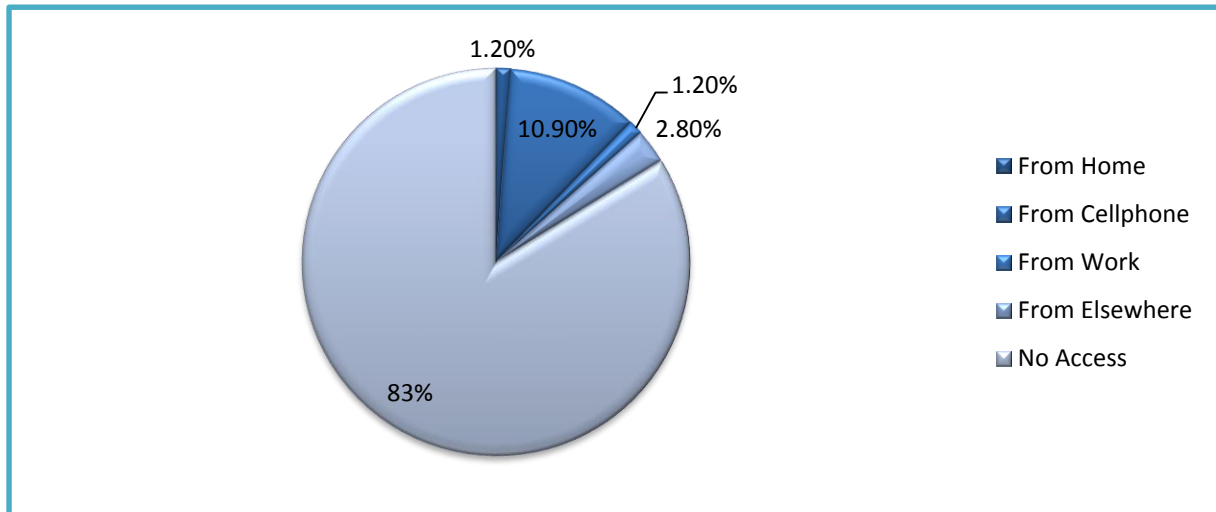
(k) Tenure Status

Approximately 60% of the population of Mbizana Municipality is owning the households, whereas 10% is lent and the other 20% is not identified. The municipality together with the district municipality is currently undergoing the process of formulating a land audit. This process will then address the amount of land available to the municipality for both development and housing purposes.



(l) Access to Internet Services

The graph below shows that 83% of the population have no access to internet, 10, 90% is accessing the internet from their cell phones, 2.80% from work, 1,20% from home and another 1.20% from any other sources.



1.2. Service Delivery Overview

In the 2017/18 financial year the municipality received an MIG Allocation of R58 119 100. A total of 11.3km of gravel access roads completed. An amount of R 10 299 796.93 was spent on construction of a Civic Centre and four community halls with one completed and others still under construction. An amount of R 8 413 001,58 building was spent on building four Early Childhood Development Centres and R12 000 000 was spent on construction of Mphuthumi Mafumbatha sport field.

The municipality budgeted an amount of R7 842 049 for Maintenance of existing gravel access roads, with this amount the municipality managed to maintain a total of 37.6km of gravel roads and purchased 1Grader, 1 Roller & a Watercart . Under the Electricity section, the following villages Mpetsheni-520, Qungebe/Ludeke 135, Ludeke ext 150, Mpisi 250, Jama 244, are energised and retention for Gudlintaba and Mpindweni village are released energised 436h/h vs 1299h/h. The challenges that are faced by the municipality are mainly budget related. We have huge backlogs on Maintenance, Virgin Access Roads and Electricity and the allocation that we get from the grants (MIG and INEP) is not enough to cover all the backlogs since the municipality is rural and have a low revenue base.

- The municipality and the department of human settlements handed over destitute housing to beneficiaries in ward 14 and 16 beneficiaries. The housing beneficiaries were living in mud houses that can fall at any given time, hence the municipality, department prioritised the families under the destitute programme

- Under refuse removal, the municipality managed to:
- Extended services to areas out of town i.e Ward 24 rank, Greenville Hospital in Ward 21& Clinic and Ku-Bha Business Centre in Ward 08, have a cleaner town, more proper waste management activities- Issued bins to 180 households in Ward 1.
- High number of recyclables i.e Cardboards & Bottles sold.
- Support of recycle co-operatives.

1.3. Financial Health Overview

The statement of financial performance as prepared by the municipality shows that the municipality has in the 2017/18 financial year made a surplus. This may be attributed to the savings on personnel expenditure resulting from positions that were filled late in the financial year and those that were not filled, expenditure initially anticipated to be repairs and maintenance that was later capitalised as the expenditure qualified to be capitalised. This surplus is also as a result of revenue recognised on conditional grants received and spent that were used to create assets.

This statement shows revenue from Exchange Transactions at above R48.9 million, Property Rates at R19.9 million and grants at more than R313 million. The total expenditure on the other hand shows a total expenditure of over R330 million (see annual financial statements).

- Salaries and wages are paid to councillors and employees on the 15th of each month and there have been no challenges with the cash flow.
- The cash flow forecast for the 2017/18 financial period shows that the municipality's current financial position is adequate and there are enough resources to continue operational existence for the foreseeable future. The municipality has not yet received an audit opinion for 2017/2018 FY from the Auditor General.

1.4 Auditor General's Report.

Mbizana Local Municipality

Audit Report

For the year ended 30 June 2018



Report of the auditor-general to Eastern Cape Provincial Legislature and the council on the Mbizana Local Municipality

Opinion

1. I have audited the financial statements of the Mbizana Local Municipality set out on pages xx to xx, which comprise the statement of financial position as at 30 June 2018, and the statement of financial performance, statement of changes in net assets and cash flow statement and the statement of comparison of budget information with actual information for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Mbizana Local Municipality as at 30 June 2018, and its financial performance and cash flows for the year then ended in accordance with South African Standards of GRAP and the requirements of the Municipal Finance Management Act of South Africa, 2013 (Act No. of 2003) (MFMA) and the Division of Revenue Act, 2016 (Act no. 3 of 2017) (Dora).

Context for the opinion

3. I conducted my audit in accordance with the International My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of my report.
4. I am independent of the municipality in accordance with the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* (IESBA code) together with the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in matters.

Restatement of corresponding figures

7. As disclosed in note 43 to the financial statements, the corresponding figures for 30 June 2017 have been restated as a result of errors and reclassifications discovered during 2017 in the financial statements of the Mbizana Local Municipality for the year

Material losses

8. As disclosed in note 47 to the financial statements, material losses to the amount of R2, 9 million (2017: R2, 1 million) were incurred as a result of electricity distribution

Material impairments

9. As disclosed in notes 10, 11 and 13 to the financial statements, impairments of R0, 6 million (2017: R0, 6 million) relating to other receivables from non-exchange transactions, impairments of R5, 4 million (2017: R4, 7 million) relating to receivables from non-exchange transactions and R11, 3 million (2017: R10, 4 million) relating to receivables from exchange transactions were incurred result of irrecoverable debtors.

Unauthorised expenditure

10. As disclosed in note 48 to the financial statements, the municipality incurred unauthorised expenditure of R52, 8 million (2017: R15, 4 million) during the year. This unauthorised expenditure was mainly due to overspending for personnel, depreciation, asset impairment and non-cash disposals of and for electrification-completed projects transferred to Eskom.

Irregular expenditure

11. As disclosed in note 50 to the financial statements, irregular expenditure of R2,9 million (2017: R2,9 million) were incurred due to the contravention of the supply chain management policy and legislation.

Additional matter

12. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Unaudited disclosure notes

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with this legislation. This disclosure requirement did not from part of the audit of the separate financial statements and accordingly, do not express an opinion thereon.

Responsibilities of accounting officer for the financial statements

14. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with South African Standards of General Recognised Accounting Practice and the requirements of the MFMA and Dora and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or
15. In preparing the financial statements, the accounting officer is responsible for assessing the municipality's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting

unless the accounting officer either intends to liquidate the municipality or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

16. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
17. A further description of my responsibilities for the audit of the financial statements is included in the annexure to the auditor's report.

Introduction and scope

18. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
19. My procedures address the reported performance information, which must be based on the approved performance planning documents of the municipality. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
20. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected objectives presented in the annual performance report of the municipality for the year ended 30 June 2018:

Objectives	Pages in the annual performance report
Basic services: engineering community services	x – x
Basic services: community services	x – x
Local economic development and spatial planning	x – x

21. performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

Other matters

23. I draw attention to the matters below.

24. Refer to the annual performance report on page(s) x to x; for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement of a number of targets. This information should be considered in the context of the material findings on the usefulness and reliability of the reported performance information in paragraph(s) [x; x; x] of this report.

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Introduction and scope

25. In accordance with the PAA and the general notice issued in terms thereof, I have responsibility to report material findings on the compliance of the municipality with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

26. The material findings on compliance with specific matters in key legislations follows:

Expenditure Management

27. Reasonable steps were not taken to prevent unauthorised expenditure amounting to R52, 8 million, as disclosed in note 46 to the annual financial statements, in contravention of section 62(1)(d) of the MFMA.

28. The total unforeseen and unavoidable expenditure incurred is greater than R5 million, which is in contravention of municipal budget and reporting regulation 72.

29. Effective steps were not taken to prevent fruitless and wasteful expenditure of R144 638, as disclosed in note 49 to the annual financial statements, in contravention of section 62(1) (d) of the MFMA. The majority of the disclosed fruitless and wasteful expenditure was caused by interest on late payments and penalties for exceeding

Consequence management

30. Unauthorised, expenditure incurred by the municipality in the previous financial year was not investigated to determine if any person is liable for the expenditure, required by section 32(2) of the MFMA.

Other information

31. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report and the audit committee's report. The other information does not include the financial statements, the auditor's report thereon and those selected objectives presented in the annual performance report that have been specifically reported on in the auditor's report.

32. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

33. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected objectives presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

34. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report on that fact. I have nothing to report in this regard.

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35. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance thereon. The matters reported below are limited to the significant internal control deficiencies that resulted in the basis for opinion, the findings on the annual performance report and the findings on compliance with legislation included in this report. 23

36. Although the leadership structure of the municipality has improved from the prior year, it

was still not adequate to ensure that all disciplines necessary to enable effective oversight that promotes efficiency and effectiveness in financial management and compliance with laws and regulations have been implemented. The slow progress in the audit intervention plan of the municipality is also a concern. This has resulted in the non-improvement in the implementation of the oversight responsibility with regard to internal control deficiencies identified during the year. Material non-compliance issues have been identified due to a lack of management oversight to the compliance of the applicable laws and regulations and policies by the municipality.

37 Material non-compliance issues have been identified due to a lack of management oversight regarding compliance with the applicable laws and regulations and policies by the municipality.

38. The audit committee held regular meetings as required by the MFMA to address internal control deficiencies identified and quarterly reports. Their oversight effectiveness on ensuring improved control environment in financial management and compliance with laws and regulations still require improvement.

AUDITOR - GENERAL

East London

30 November 2018



AUDITOR - GENERAL
SOUTH AFRICA
Auditing to build public confidence

UMANYANO NGAMANDLA

GOVERNANCE

Component A: Political and Administration governance

2.1. Political Governance

Municipality is governed by council which has mandated the Executive committee to exercise oversight over the administration as well as the Speaker and the Chief whip overseeing constituency work.

Name of Councillor	Portfolio	Committee
Councillor T.D. Mafumbatha	Hon Mayor	Chairperson of Executive Committee
Councillor S. Magini	Hon Speaker	Chairperson of the Council
Councillor M.C. Mpetshwa	Chief Whip	Council Chief Whip
Councillor L. Makholosa	Chairperson	Budget and Treasury
Councillor N. Dlamini	Chairperson	Engineering Services
Councillor L.T. Somadlangathi	Chairperson	Spatial Planning and LED
Councillor M.S. Maphetshana	Chairperson	Corporate Services
Councillor Z. Mhlwazi	Chairperson	Good Governance, SPU and Intergovernmental Relations
Councillor N.N. Mhlembana	Chairperson	Community Services
Councillor R.T. Nkomo - Khwela		Executive Committee Member
Councillor I.M. Sabuka		Executive Committee Member
Councillor A.M. Specman		Executive Committee Member

Name of Councillor	Portfolio	Committee



COUNCIL EXECUTIVE COMMITTEE MEMBERS



HON. MAYOR: CLLR. T.D. MAFUMBATHA



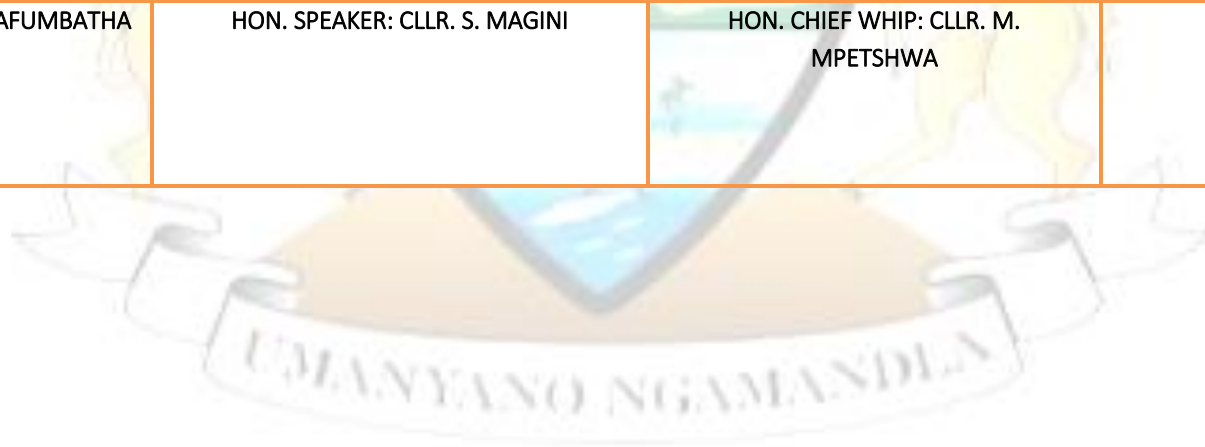
HON. SPEAKER: CLLR. S. MAGINI



HON. CHIEF WHIP: CLLR. M.
MPETSHWA



HON. CLLR. L. MAKHOLOSA
PORTFOLIO HEAD : BUDGET &
TREASURY

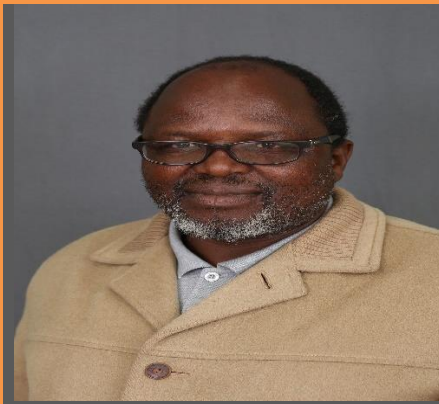




HON. CLLR. N. DLAMINI
PORTFOLIO HEAD: ENGINEERING
SERVICES



HON. CLLR. L. SOMADLANGATHI PORTFOLIO
HEAD: SPATIAL PLANNING & LED



HON. CLLR. M.S. MAPHETSHANA
PORTFOLIO HEAD: CORPORATE
SERVICES



HON. CLLR. Z. MHLWAZI PORTFOLIO
HEAD: GOOD GOVERNANCE, SPU &
IGR

COUNCIL EXECUTIVE COMMITTEE MEMBERS



HON. CLLR. N. MHLEMBANA
PORTFOLIO HEAD: COMMUNITY
SERVICES

HON. CLLR. R.T. NKOMO-KHWELA
EXECUTIVE COMMITTEE MEMBER

HON. CLLR. I.A. SABUKA
EXECUTIVE COMMITTEE MEMBER

HON. CLLR. A.M. SPECMAN
EXECUTIVE COMMITTEE MEMBER



2.2. Administrative Governance

At high level the municipality has six directorates each managed by a senior Manager

Heads of Departments including Municipal Manager	
Municipal Manager: Mr L.Mahlaka	<ul style="list-style-type: none">• Head of Administration and as accounting officer, takes responsibility of the overall performance of the organization, including: the transformation of the organization to one that is developmentally focused;• The development of an economical, effective, efficient and accountable administration equipped to carry out the task of implementing the municipality's Integrated Development Plan, operating in accordance with the Municipality's Performance Management System, responsive to the needs of the local community to participate in the affairs of the municipality;• Implementation of the Municipality's Integrated Development Plan and monitoring the progress with regard to implementing the plan;• Administering and implementing the Municipality's by-laws and other legislation;• Advising the political structure and political office bearers of the Municipality;• Rendering support to the office of the Mayor, Speaker and the Office of the Chief Whip.
Chief Finance Officer: Mr. Z.A. Zukulu	<ul style="list-style-type: none">• Manages budget and treasury department• Implements integrated development plan and strategic goals of the budget and treasury• Provides support and advice to the Council and municipal manager• Implements service delivery budget implementation plan• Prepares and implement municipal budget• Prepares annual financial statements and other legislative financial management reports• Performs duties and functions delegated to CFO by the Finance Management Act• Manage efficient provision of municipal service• Establish, operate and maintain the support structures, processes and systems• Leads and directs staff in the department to ensure that they meet the objectives in line with the municipality's requirements and resources.
Senior Manager	<ul style="list-style-type: none">• Ensures the development of appropriate Strategies, Policies and plans for all relevant areas

Community Services: Mr M.M. Khuzwayo	<ul style="list-style-type: none"> • Directs the implementation of specific procedures, systems and controls associated with key functional areas embodied in the Community Services departmental Structure • Provides Strategic leadership and planning for the department, Community development Management • Responsible for public safety, which amongst other things includes traffic management, security management and Law Enforcement. • Responsible Management of Community Facilities e.g. Community Halls, Cemeteries, Sports Fields, Libraries, and other Municipal properties. • Responsible for environmental management in general and the coordination of disaster management. • Coordinates and Monitors development of Sports , Arts and Cultural Programmes and development of social programmes • Alignment , creating awareness, capacity and relationship management in all stakeholder forums
Senior Manager: Corporate Services: Mr Z. Gwala	<ul style="list-style-type: none"> • Leading and directing the corporate Services Directorate • Ensures the Municipality is provided with an effective support services regarding corporate administration, human resources, information technology and legal services • Manages corporate administration functions which relate to the provision of record managements • Managing the directorates budget planning, implementation and budget review to support priorities and deliveries in the context of IDP • Advising the Municipal Manager timeously and effectively on matters pertaining the Directorate • Provides visionary and innovative leadership to diverse workforce, to ensure optimal utilisation of the Council's resources in terms of implementing its strategic objectives articulated in the IDP and in the fulfilment of its legislative mandate • Manages Human Resource portfolio in accordance with labour legislation and collective agreement
Senior Manager: Development Planning: Ms N. Mafumbatha	<ul style="list-style-type: none"> • Develops, co-ordinate and manage the operations of the planning and Development department, integrated Development Planning, Local Economic Development and Tourism sub-sections • Develops methodologies and approaches to guide specific urban design investigations and research processes • Manages developmental project management processes associated with scoping, resourcing, implementation, monitoring and communication • Manages the IDP implementation and review process, advise the Municipal Manager on planning and development matters

	<ul style="list-style-type: none"> • Prepares reports on the activities of the component, as and when required to do so.
Senior Engineering services: Mr M. Mcinga	<ul style="list-style-type: none"> • Manages complex civil infrastructure project from conceptualization, design, contract management, quality assurance and compliance, and ensure their proper integration to the local municipality's overall plan (IDP) • Performs financial monitoring through commissioning, operations and maintenance to ensure effective and efficient functioning of the department within the budgetary constraints of the municipality • Provides professional advisory services to the municipality • Manages all the department's contracts and tenders according to the approval of SLAs, council requirements , ensuring adherence to the SLAs, terms of reference, letter of appointment and contracted project time lines as per specification • Ensures that projects reflecting to IDP are registered in accordance with CIDB requirements



HEADS OF DEPARTMENTS INCLUDING THE MUNICIPAL MANAGER



MUNICIPAL MANAGER: MR L.MAHLAKA



CHIEF FINANCE OFFICER: MR Z.A. ZUKULU



SENIOR MANAGER: CORPORATE SERVICES: MR Z. GWALA



SENIOR MANAGER: DEVELOPMENT PLANNING: Ms N. MAFUMBATHA	SENIOR MANAGER: ENGINEERING SERVICES: MR M. MCINGA	SENIOR MANAGER: COMMUNITY SERVICES: MR M. KHUZWAYO
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2.3. Audit Performance

As provided for in terms of section 166(2) of the MFMA, the municipality had an audit committee established to address matters relating to the municipality. These matters include amongst others the following:

- Governance; Ethics; and policies and procedures
- Assessment of the effectiveness of Internal Controls;
- Performance management
- Risk Management

Effectiveness of Internal and External Auditors

The Council appointed five independent members. Audit Committee is functional with 5 independent members selected from different areas of expertise to enhance the audit committee's overall knowledge of the municipality or entity and the ability to discharge its obligations and provide appropriate recommendations to the council.

Mbizana local municipality Audit Committee members acquired the following skills:

- Financial Management
- Legal
- Admin and Governance (i.e. Internal Audit, Risk Management, IT, Human Resources, Planning etc.
- Performance Management
- Medical practitioner,

Audit Committee terms of reference was adopted by Council and Audit committee is executing their responsibilities as set in the approved Audit Committee Charter.

The Audit Committee chairperson's report is attached.

Component B: Intergovernmental Relations

2.4. Intergovernmental relations

Structures in which municipality participate are Mbizana IGR Forum which involves local stakeholders, The District Mayor's Forum at a district level and MUNIMEC at a Provincial level

At MUNIMEC and District level the municipality is represented by Mayor and Municipal Manager. At Mbizana IGR Forum the municipality is represented by management and Executive Committee which includes the Mayor, chairperson of the forum.

In its stride to promote IGR, terms of reference were adopted by the council and these terms of reference show broader representativity of stakeholders across all three spheres of government and this ensures that service delivery issues from all three spheres are dealt with accordingly.



Component C: Public Accountability and Participation

2.5. Public Meetings

IDP & BUDGET ROAD SHOWS

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 1	7/02/2018	<p>Downtown RDP Houses are falling down, they had been reported to the Municipality but nothing has been done. People are still expected to vote.</p> <p>Municipality managers seem not to be responding quick enough when a fault has been reported especially in town. Poor service delivery standards</p> <p>The road from the hospital to Tshayingca school needs urgent attention.</p> <p>Revenue collected from the Pound must also be reflected on the report.</p> <p>Clustering of wards is not appreciated.</p> <p>Issues of Councillors that have cars registered in another province must be looked into.</p>	-	<ul style="list-style-type: none"> - Municipality revenue collection as reported on the document seems not to be increasing - Functioning ablution facilities in town must be built. - Appreciation to the Municipality for grade 4 status. - Community also appreciates the improvement on electricity issues in general in town - Isixhosa must be used in all municipal documents going to public.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 2	06/02/2018	Mkhambathi to Simnyameni access road , there is no progress at site .	Ngele to Mbhojeni road incomplete , it also needs re-surfacing . Mqhokweni to Nokhatshile access road unfinished ,heaps of stones were also left lying alongside the road by the constructor	Norhatshile Clinic does not appear on the document. The Municipality was urged to invite the MEC for health in the Province to come and give responses otherwise the community will take the matter into their own hands.
\Ward 3		Sithukuthezi to Madlebetshe access road was reported to be finished but no pipes were installed and it also needs re- gravelling		Ntamonde Access road need maintenance. Mbiba Access road needs maintenance, intervention is needed as the Municipality claims that it is a provincial road.
Ward 04	06 February 2018	Artisan school should be prioritised for the young people who could not complete Matric	Electricity project incomplete	
Ward 05	08/02/2018	Destitute houses were asked by the community. Maintenance of Mbhobheni access road was requested. Community Hall for ward 05.	Electricity not completed Taps are not installed in other areas.	Appreciated the access road from Mthamvuna to Mabheleni. Monitoring should be in all projects.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
		Maintenance of T-road from Nomlacu to Mtamvuna.	Access road from Gwala to Cingweni was bladed only with no gravel stones.	Scholar transport for learners to Marelane Dipping tank was requested.
Ward 6	07/02/2018			Job opportunities are requested from the Municipality.
Ward 7	07/02/2018	Fencing of Mzamba Community Hall Maintaining of Nompumalanga access road Construction of access road from R61 to Nyanisweni to the Dumping site.	No water in Majazi village Electricity is not completed	
Ward 8	06.02.2018	Camagu Access Road done. Ntshikintshane to Bukuveni A R done. Meilie fields were planted in Ward 8.	Access road from Ntlenzi to Tshikitshane has no drainage pipes. Bukuveni access road has no drainage pipes.	Water pipes and drainage in Camagu access road needed. Appointed service providers to do work for the municipality should be closely monitored. Ntlenzi to Mfundisweni road needs maintenance.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 9	06.02.2018	Nqabeni to Qolintaba in ward 9 completed, appreciation to the Municipality.	Luphilisweni Sport field incomplete, top concrete not levelled.	A request for a virgin road that starts from the R61 Tshuze to eNtabeni Road.
Ward 10	06.02.2018	Community hall was confirmed and appreciated.	Maintenance plan was recommended by community members for access roads. Maintenance of Ntlenzi to Mcetheni A R as there are potholes especially from bridge to the top.	
Ward 11	06. 02.2018			Road crossing to Holy Cross Hospital was requested by ward 11 community.
Ward 12	08/02/2018	Renaming of ward 12 community hall in all Municipal documents to appear as “ Ntabendlovu Community Hall” was proposed.	Ntabendlovu cannot be complete, there is no electricity	There is a tendency of service providers that get work in ward 12 who never employ local people as labourers.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 13	07/02/2018	Street naming project that was done in town in the previous year isn't showing on the document, an explanation was requested.	A project of fixing water pipes and leaks in ward 13 has not been completed (ANDM Function)	Proposal was that all presentation documents that the public is supposed to engage on whether for Mayoral Imbizos or the Annual Report must be given to the people a week prior to the planned meeting.
Ward 14	08/02/2018	Community appreciated all service delivery initiatives being done in that ward i.e. Toilets, Electricity and Roads.		A request to the Municipality to also provide electricity for the newly built home (in-fills)
Ward 15	08/02/2018	Appreciated the Community Hall that was constructed, however the chairs inside the hall are very common.		
Ward 16	08/02/2018		Butshengweni Access road not completed / slab was not done as per the specification that was presented to the community.	-

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISFED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 17	07.02.2018	<p>The maintenance of access road from Vuyisile to Nyandeni</p> <p>Community Hall was confirmed to be constructed and security for community hall was requested.</p>	<p>No electricity in the community hall.</p> <p>No paving next to toilets</p> <p>No doors(were stolen)</p> <p>Levelling of concrete on premises of the hall.</p>	<p>Vuyisile to Nyandeni access road next to school gravel hips were left un levelled.</p> <p>Ditch drains were promised by the contractor.</p> <p>Poor standard of the community hall.</p>
Ward 18	08/02/2018	<p>Request Bridge on Mqonjwana access road- it was dangerous by rain.</p> <p>Maintaining of Mpondombini access road</p> <p>Maintaining of Mfuneli access road</p>	<p>Mqonjwana access road was of poor quality.</p>	<p>Ward 18 first appreciated the good work but monitoring should be done</p> <p>People had died there because unavailability of a Bridge</p>
Ward 19	07.02.2018	<p>RDP Houses and electricity in some villages</p> <p>Construction of Mdwayiba access road to Kopana J.S. School via Nxila with Bridge at Nxila was requested by community.</p> <p>Maintenance Access road from T Road to Shukuma via Ntlozelo</p>	<p>Concern about Monti/Ntlozelo electrification project which started in 2015 till currently.</p>	<p>Electrification project has stopped with no notice at Shukuma sss.</p> <p>Electricity poles which was left unattended and course destructive to the vehicles.</p>

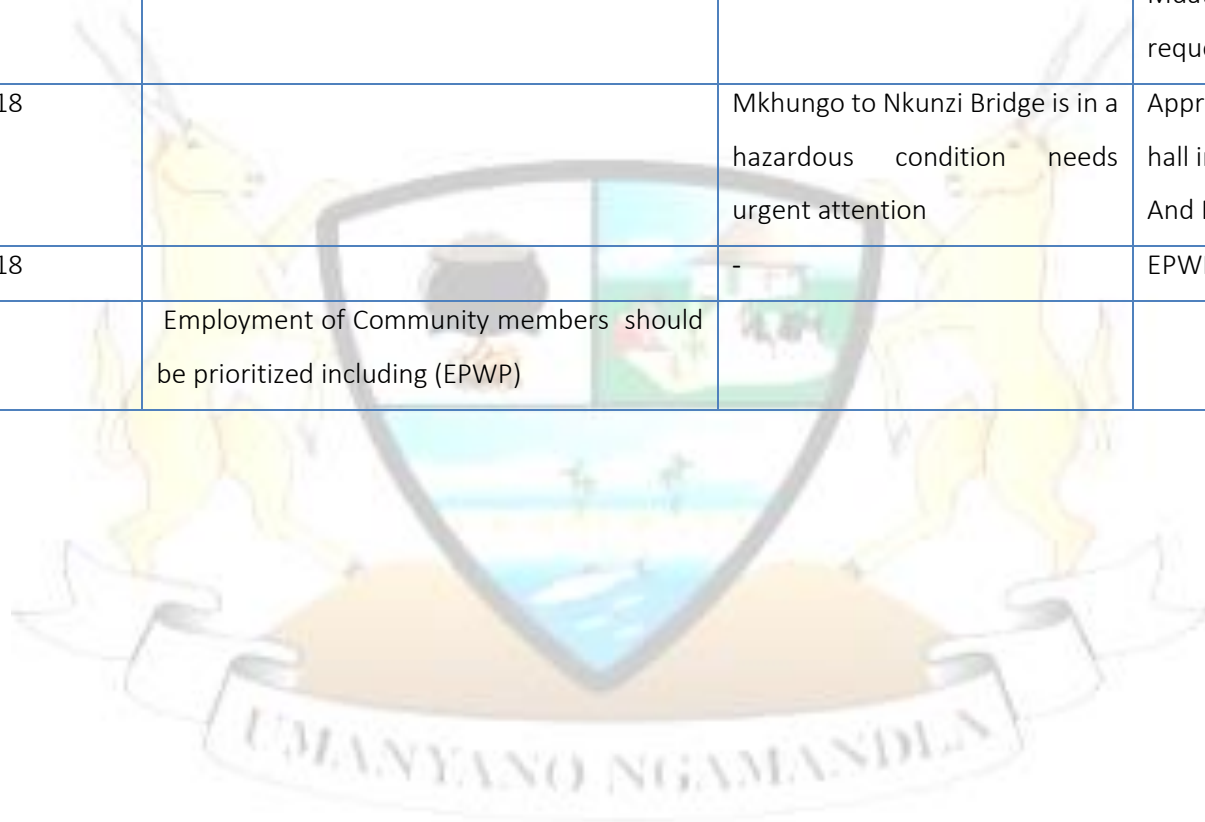
WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
				Nonja electrification must be included on municipality plans. Access road from Vuyisile to Nyandeni needs maintenance Nonja access road not covered.
Ward 20	08/02/2018	Request of Stanford Bridge Maintenance of access road from Mr Maphango,Lindokuhle J.S.S, Simakadeni to Madadana Village	Maintenance of Mamcakweni via Malindeli to Shesi is not complete as loads of quarry were left. Also from Mr Maphango to Lindokuhle loads of quarry were left unattended.	Wanted to know the services delivery in ward 20 as they do not have any ongoing project this Financial year.
Ward 21		Maintaining of Tar road as it has pot holes Maintaining of Dotye access road	Thembalesizwe Access road is not completed, Bridge still in a bad condition.	

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
			Ntika-1 dish drains is too deep, there are big stones there Greenville no electricity in some areas	
Ward 22	08/02/2018	Maintenance of Gobhozi to Marhazula access road		There are Farmers but they do not have access to the Red hub. They want the municipality to assist them to make arrangements with red-hub
Ward 23	08.02.2018	Construction of Zikhuba to Marina access road	Water project taking place at ward 23 incomplete as taps has no water. Plangeni – water pipes left unattended, no water in the area. Access road from Diphini to Msomi no ditch drainage.	1000 RDP houses which were promised not delivered. The municipal budget must be allocated according to wards. Access road from Msizazwe to Vulindlela Com Tech High School needs maintenance.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
Ward 24	08.02.2018	Maintenance of the community hall.		Access road from Diphini to Msomi belongs to Ward 23. Construction of the sport field was requested.
Ward 25	08.02.2018	MaTshezi Access road in Gcinisizwe village was reported to have been completed but the community had requested a slab and it was never done	Xholobeni project 200 houses requested intervention on the project as it stopped without any information.	- Jama access roads needs ditch drains
Ward 26	07.02.2018		Access road from R61 to tuck shop incomplete Electricity in-fills	Ekuphumleni village does not access any services. Municipality to address them if they do not belong to Mbizana. They are voting but they don't see any change.
Ward 27	06.02.2018		Thaleni bridge incomplete	
Ward 28	28.02.2018	Lundini Community hall was confirmed	Gumzana electrification in complete, there are no meter boxes.	Electrification at Lundini was done but no hand over of the project.

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
			<p>Electrification project which is not finished in some houses at Lundini Village.</p> <p>Bulala to clinic access road need maintenance was left unfinished with no rails next to dangerous curves.</p> <p>Infills on the electrification project.</p> <p>Xholobeni project 200 houses requested intervention on the project as it stopped without any information.</p>	<p>Access road from Mtsha-wedikazi to Gumzana needs maintenance</p> <p>RDP Houses are needed</p> <p>Mtsha-wedikazi access road to Lundini need bridge and the slab.</p> <p>Construction of Lingeletu access road to California</p> <p>About 10 Transformers and other equipment were left unattended which is very dangerous to the community.</p> <p>Access road from Topozo J.S.S the road needs water pipes.</p> <p>Sidanga to Dangeni Access road requested bridge and slab.</p>

WARD NO.	DATE	SERVICE DELIVERY INPUTS	UNFINISHED PROJECT	GENERAL SERVICE DELIVERY COMPLAINTS
				Mdatya housing project was requested.
Ward 29	08/02/2018		Mkhungo to Nkunzi Bridge is in a hazardous condition needs urgent attention	Appreciate a lot : Community hall in kwa Bulala And Makewini
Ward 30	07/02/2018		-	EPWP must be prioritised
Ward 31		Employment of Community members should be prioritized including (EPWP)		



2.6. IDP participation and Alignment

	Criteria	N/Y	Comments
1	Does the Municipality have Impact, outcome, input Indicators	Yes	Municipality doesn't have Impact Indicators
2.	Does the IDP have Priorities , objectives, KPIs and Development Strategies	Yes	
3.	Does the IDP have Multi Year targets	Yes	
4.	Are the above aligned and calculate into a score	Yes	
5.	Does the budget align directly to the KPIs in the IDP	Yes	
6.	Do IDP KPI's align to Section 57 managers contracts	Yes	
7.	Do KPIs lead to the functional area KPIs as the SDBIP	Yes	
8.	Do the IDP KPIs align with Provincial KPIs on 12 outcome particularly outcome 9	Yes	
9	Were the Indicators communicated with the public	Yes	
10	Were the quarterly reports submitted to Council at stipulated time frames	Yes	

Component D: Corporate Governance

2.7. Risk Management

The risk management unit has not yet been established within the Municipality. The Council has assigned the risk management function to Internal Audit Unit. The risk management is properly managed by Internal Audit Unit. There was range of activities which were conducted by the Internal Audit Unit including the Municipal Wide Risk Assessment, Risk Awareness, Risk Register and etc. The risk assessment is conducted on an annual basis and the risk registers are updated on a regular basis and as and when the need arises. The Risk Management Policy is available and is being reviewed by the Council on an annual basis.

2.8. Anti-Corruption and Fraud Management

The Council has assigned the Anti-Corruption and fraud management to Internal Audit Unit. Internal Audit Unit has conducted a whole range of activities including awareness campaigns, development of flyers, lanyards, t-shirts and etc. The Anti-Corruption and Fraud Management policy and implementation plan is available and is being reviewed by the Council on an annual basis.

2.9. Municipal Website

(a) Municipal Website Compliance

This website serves as an integral part of Mbizana Local Municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

Mbizana Local Municipality website is up and running, URL: <http://www.mbizana.gov.za>. Information and Communication Technology is responsible for compliance on the website in terms legislations and laws applicable to municipal websites. Mbizana Local Municipality website was developed in terms of s21 A and B of MSA No. 32 of 2000.

(b) Web Content Management

ICT is responsible for uploading compliance documents in terms of s75 of the Municipal Finance Management Act No. 56 of 2003 and all applicable laws of the republic of South Africa. During the 17/18 financial year.

(c) Relevant Legislations

The role of Mbizana Local Municipality's website, as platform for information dissemination, participation and disclosure has been significantly catered for in various pieces of legislation, including:

- The Local Government Municipal Systems Act No 32 of 2000 ("the Systems Act");
- The Local Government Municipal Financial Management Act No 56 of 2003 ("the MFMA"); and
 - The Municipal Property Rates Act, no 6 of 2004 ("the MPRA").

(d) Functionality and Management

Information and Communication Technology section continuously uploads advertisement and compliance documents with an intention to invite public comments. Supply Chain processes from a particular value are all advertised on the website for certain period of time as per the SCM policy. All vacancies are advertised on the website for the benefit of the community of Mbizana and the rest of the interested people. All performance agreements signed by s56 managers also posted on the website. IDP/Budget and process plan, final IDP/Budget and PMS, SDBIP and quarterly reports are posted on the website and they can be accessed at any time.

(e) Disaster Recovery

The Municipality adopted a new Disaster Recovery Plan (DRP) and Business Continuity Plan to ensure smooth recovery and very minimum impact when a disaster occurs. The Plan is supported by a Backup and recovery solution that is hosted in a data centre managed by Munsoft \ ITNA and as well as a Replication that is done on site using VEEAM for Hyper-V.

Policies

Information Technology Policies				
	Name of Policy	Completed	Reviewed	Adopted
1	Access Control Policy		yes	Adopted
2	Change Control Policy		yes	Adopted
3	ICT Asset Management Policy		yes	Adopted
4	ICT Governance Charter		yes	Adopted
5	ICT Governance Framework (with ICT Strategy)		yes	Adopted
6	ICT Governance Policy		yes	Adopted
7	ICT Infrastructure Policy		yes	Adopted
8	ICT Security Policy	yes	yes	Adopted
9	ICT Service Management Policy		yes	Adopted

10	Virus and Patch Management		yes	Adopted
11	Business Continuity Plan	yes	yes	Adopted
13	Disaster Recovery Plan	yes	yes	Adopted

2.10. Supply chain Management

The Municipal Finance Management Act No 56, of 2003, section 80, deals with the establishment of a Budget and Treasury Office by all municipalities. The established Budget and Treasury Office must then be headed by the Chief Financial Officer with a number of responsibilities assign to him/her. One of the responsibilities assigned to the Chief Financial Officer also include supply chain management.

Mbizana Local Municipality has established the Budget and Treasury Office, within which a Supply Chain Management Unit has further been established. This unit is responsible for all demand management, procurement, logistics and disposals within the municipality.

The unit is headed by a Supply Chain Management Manager, who reports directly to the Chief Financial Officer. In turn, there are two Supply Chain Management Officers who report to the manager. Further to this, there are two SCM Clerks who report to the officers, and this total to a unit with five personnel. These personnel are further enhanced by financial management interns who rotate and therefore, as part of rotation form part of the SCM Unit team. All the SCM officials meet the minimum competency levels required for SCM officials.

As part of the section 71 reports that are tabled to committees and then to council, SCM issues are also reported. This means that there are twelve (12) reports that are tabled to council on an annual basis.

The supply chain management policy is reviewed on a yearly basis and forms part of the budget related policies. This review therefore also happened for the 2016/17 financial period. The following thresholds are outlined in that policy:-

STRUCTURE OF APPROVAL		
GOODS/SERVICE VALUE	PROCUREMENT METHOD MINIMUM	APPROVAL AUTHORITY
R0 – R2 000	Petty Cash: One Quote	Head of Department
R2 001 – R10 000	Three Quotations	Head of Department
R10 001 – R30 000	Three Quotations	Head of Department
R30 001 – R200 000	7 days advert Notice Board via Website; Three Quotations	Accounting Officer or delegated
R200 001 – R2 Million	Competitive Bidding Process	Accounting Officer
R2 Million – R10 Million	Competitive Bidding Process	Accounting Officer
Above R10 Million	Competitive Bidding Process	Accounting Officer

The bid committees are appointed for specific projects with the following principle applied at all times:

- The Bid Evaluation Committee is composed of managers reporting to senior manager, and each committee always has a SCM practitioner.
- The Bid Adjudication Committee is composed of Senior Managers and is chaired by the Chief Financial Officer

The performance of the committees and their commitment to their sitting is central to the achievement of all targets that have been set by the municipality. It is essential therefore that these committees convene as often as required to ensure delivery of much needed services to our communities.

As per our tender register and other documentation, the following is the number of awards that have been made throughout the financial year:-

- Bids for R200 000.00 and below : XX
- Bids for R200 000.00 and above : 46

The major appointments and projects will be discussed on the service delivery section of the report.

2.11. MPAC Committee

MPAC was established by council during the first council of the fourth term in order to in perform oversight function as well as leading the public consultation process on annual report and collect comments and report to Council. The committee comprises of seven councillors including a councillor

from opposition party and a traditional leader. A schedule of meetings and MPAC annual work plan was adopted by council. Three meetings were convened to discuss the reports as mandated by Council.

The reports received in 2017 /2018 were:

1. Irregular Expenditure
2. Annual Report 2016/2017

MPAC OVERSIGHT ON ANNUAL REPORT 2016/2017

1. The oversight report on Annual Report 2016/2017 be adopted by council without reservations.
2. The report has complied with all prescripts and applicable legislation as provided by MFMA and LGMSA of 2003.
3. Regular maintenance of Mfuneli Access Road should be considered by Engineering Services Department.
4. Ward 31- Ezizityaneni Community Hall cracks on the wall, roof leakage on ceiling board, toilets doors needs to be fixed as well as electricity switch that is faulty.
5. Mbonjeni to Ngele Access road lower level crossing should be fixed to avoid storm drainage as well as bridge holes should be installed.

MPAC OVERSIGHT REPORT ON IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

- The BEC and BAC committee be given amnesty since the protective clothing were received and were of value for money.
- Refresher workshop should be organised by SCM for members of committees frequently to ensure accuracy on documents.
- The R375773, 36 of Irregular, unauthorised, fruitless and wasteful expenditure of 2015/16 be written off.

Names of members and number of meetings attended (2017/18)

Initial and Surname	F/T P/T	OR	Committee	Political Organization	Number of planned meetings	Attended	Absent
Cllr N.E Cengimbo	F/T		MPAC	ANC/PR	04	06	0
Cllr R N Madikizela	P/T		MPAC	ANC /PR		06	0
Cllr M. Ndovela	P/T		MPAC	ANC / WC		04	02
Cllr A.I. Guqaza	P/T		MPAC	ANC / WC		06	0
Cllr. S. Ngonini	P/T		MPAC	APC / PR		03	03
Cllr. N. Sikibi	P/T		MPAC	ANC / PR		04	02
Chief M. Bhenxa	P/T		MPAC	TL		01	05

Chapter 3: Service Delivery Performance

Component A: Basic Service Delivery

3.1. Electricity

The Municipality currently has a license to provide electricity within the town of Bizana and Eskom covers all the rural areas. The Municipality does receive funding from the department of energy and with that funding implements projects within the rural areas and upon completion are transferred to Eskom. The major challenge with the electricity section is the funding. The communities of Mbizana have prioritized the provision of electricity more than other basic services like roads. In the current financial year we have managed to complete the Mpetsheni (326 H/H) , Mpindweni(29 H/H) , Monti/Ntlozelo Link line(32 Km) projects and paying off of DBSA front loading loan utilising the R 34 million INEP allocation. Mbizana municipality also received R 21 681 000.00 funding allocation from the Office of the Premier and the following projects were implemented : Jama (244 H/H), Mpisi (205 H/H) , Ludeke/Qungebe (185 H/H) and Mpetsheni 300 H/H .The municipality has managed to electrify a total of 1 289 households with a backlog of 16 671 Households.

Financial Performance Year 2017/18: Electricity Services

Details	2017-18				
	2016/17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	R 58 038 887.00	R 38 239 620.00	R 37 832 620.00	R 33 990 095.00	R 3 842 525.00
Expenditure	R 39 473 216.00	R 33 224 976.00	R 35 207 718.15	R 31 125 462.00	R 4 082 256.00
Employees	R 3 227 031.00	R 3 974 604.00	R 3 567 604.00	R 2 480 400.00	R 1 087 204.00
Repairs and Maintenance	R 219 993.00	R 1 040 040.00	R 1 040 040.00	R 384 233.00	R 655 807.00
Other					
Total Operating Expenditure					
Net Operational Expenditure					

Capital Expenditure Year 2017-18: Electricity Services

Capital Project	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
5 MVA Backbone line	R 500 004.00	481 668,00	481 668.00	18 332	481 668.00
Electrification of Gudlintaba	0	424 000,00	423 573.57	424 000,00	R 8 049 089.18
Electrification of Jama Village	4 744 548.00	3 864 865,00	5 078 700.00		5 078 700.00
Electrification of Monti-Ntlozelo	0	6 728 213,00	3 074 819.42	3 653 393.58	R 33 477 580.26
Electrification of Mpetsheni	12 159 846	10 298 680,00	12 159 850.70		12 159 850.70
Electrification of Mpindweni	1 179 042	1 179 042,00	2 572 578.50		2 572 578.50
Electrification of Mpisi Village	5 295 252	5 280 013,00	5 280 013.00		5 280 013.00

Electrification of QungebeLudeke	6 845796	4 260 199,00	4 750 000.00		4 750 000.00
Electrification of TsawanaLudeke		4 083 498,00	4 083 498.00		4 084 498.00
MontiNtlozeloLinkline	9 556512	5 178 723,00	9 556 515.81		9 556 515.81

Employees :Electricity services					
Level	2016-17	2017-18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	A 0028 A0269	4	A 0028 A0269 A0323 A0324	NIL	NIL
4-6	A 0234	1	A0234	NIL	NIL
7-9	-----	2	-----	2	100%
10-12	A0209 A0242 A0041	3	A0209 A0242 A0041 A0043	4	100%
13-15	A0315	1	A0315	1	100%
Total		9		12	

3.2. Waste Management and Refuse Removal

The Council has a responsibility to:

- Provide equitable waste collection to all households within its jurisdiction.
- Achieve integrated waste management reporting and planning.
- Encourage separation of waste at source especially domestic waste generated by households.
- Encourage community involvement in recycling programmes.
- Ensure that health and safety, communication, awareness creation and complaints are addressed.
- That such collection, disposal or recycling take account of the waste management hierarchy.

The municipality is aware that to redress past imbalances in the provision of waste collection services, it is imperative that acceptable, affordable and sustainable waste collection services be

rendered to all communities so as to improve the quality of life of the entire community and ensures a clean and more acceptable place to live and work in, Mbizana provides the service in the CBD and surrounding areas.

The waste management service currently rendered by the municipality (in-house):

Important programs that are aimed at improving the waste management service:

1. Waste Educational/ Awareness Programs:

- Training technique to communicate educational waste management solutions to the communities to achieve the municipal goal of cleaning up, reducing illegal dumping and littering. This helps to deal with a pervasive mind-set among citizens that tolerates littering and illegal dumping. The negative consequences of this mind-set extend far beyond the visible blight of unhealthy illegal dumps. Mbizana Local Municipality has conducted 3 awareness campaigns in Ward 1 involving the following stakeholders: DEA, DEDEAT, and Alfred Nzo district municipality, Department of Education, Hawkers association, Rate Payers association.

2. Clean up campaigns:

- Aimed at establishing ownership of the environment amongst all people residing within the municipal area. The campaigns motivate communities to participate actively and manage to create awareness among communities. 2 cleaning campaigns were conducted this financial year.
- Provision of waste receptacles to illegal hotspots and CBD.

3. Waste Recycling Initiatives: for environmental and economic benefit

- This done with the intention of 'Zero waste to landfills by 2022', recycling is key to the twin goals of minimizing the waste going to landfills and extracting maximum value from waste stream.
- Facilitated establishment of partnerships with the Sasuka recyclers, this functions as the by-back centre for cardboard, plastics and paper.
- Facilitated registration of cooperatives in recycling for bottles i.e. Yona Yethu Recyclers in Ward 17.

Challenges in Waste Management:

- Informal trading in pavements.

- Sewage spillage in the main street.
- Organized businesses that take out their business to the pavement.
- Unlicensed formal businesses which do not comply with waste management standards.
- Poor enforcement of by-laws.

Solid Waste Service Delivery						
Levels: House Holds						
Description	2015/16	2016/2017	2017/2018	Original Budget No	Adjusted No	Actual No
	Actual No	Actual No	Actual No			
Solid Waste Removal:	1307	1394	1394	1394	0	0
Removed Once a week	1307	1394	1394	1394	0	0
Removed More than once a week	-	-	-			
Total Number of House holds	1307	1394	1394	1394	0	0

Employees :Waste Management and Refuse Removal services					
Level	2016/17	2017/18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	48	50	45	4	8%
4-6	6	6	5	1	6%
7-9	2	3	2	1	3%
10-12	2	2	2	0	0
13-15	1	1	1	0	0

Total	59	61	55	6	10%
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Financial Performance Year 2017/18: Waste Management and Refuse Removal					
Details					
	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	5 539 395.08	3 566 252.00	402 000.00	3 968 252.00	402 000.00
Expenditure					
Employees	4 236 296.00				
Repairs and Maintenance	15 628.00	974 882.00	118 996.00	974 882.00	118 996.00
Other					
Total Operating Expenditure					
Net Operational Expenditure					

Capital Expenditure Year 2017/18: Waste Management and Refuse Removal					
Capital Project	2017/18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Landfill site	853 756.00	166 000.00		R697 776.00	853 756.00
Plant and equipment	-	-		-	-

- Installation of 'Do not litter' bill boards in areas identified as hot spots of illegal dumping in the CBD e.g. Extension 4 and behind the ranks.
- Employment of 106 EPWP beneficiaries i.e. for environment and culture sector using EPWP grant.
- Development of a licensed Landfill site using external funding by DEA – under construction.
- Equipment used for transportation of waste:
 - 1x 8 ton compactor truck – 2005 model
 - 1x 8 ton compactor truck – 2011 model
 - 1x 4 ton tipper truck (non-compactor) – 2003 model
 - 1x tractor and 4 ton trailer
 - 1 bakkie - 2012 model

Achievements

- Extended services to areas out of town i.e Ward 24 rank, Greenville Hospital in Ward 21& Clinic and Ku-Bha Business Centre in Ward 08.
- Cleaner town
- More proper waste management activities- Issued bins to 180 households in Ward 1.
- High number of recyclables i.e Cardboards & Bottles sold.
- Support of recycle co-operatives.

Challenges in Waste Management:

- Informal trading in pavements.
- Sewage spillage in the main street.
- Organized businesses that take out their business to the pavement.
- Unlicensed formal businesses which do not comply to waste management standards.
- Ineffective enforcement of by-laws.

3.3. Housing

The majority of people in the municipal area live in rural communal areas (94%) in traditional housing. The bulk of the housing demand is therefore vested in rural areas. The exact housing need in the municipal area is 38749. The majority of people within the municipal jurisdiction are residing within self-built structures (traditional dwellings) within rural settlements. Mbizana local municipality is rural in nature, and consists of dispersed, scattered rural unplanned settlements. The municipality is implementing rural housing subsidy programme, aiming in building houses within the rural communities. There is a huge demand of housing within the municipal jurisdiction in both Urban and Rural Areas.

The exact housing backlog and subsequent housing demand for the Mbizana municipality is in rural areas compared to the urban. The settlement pattern of the municipal area reflects a predominantly rural character and the vast majority of the population resides in rural traditional houses. There is a high demand of middle income houses within the urban area; the main issue is unavailability of land, due to unresolved land claims between the municipality and communities as the municipal commonage is subject to land claims. The municipality has completed the formalisation of the down town informal settlement upgrading through the in situ upgrading. The scope of work entailed pre-planning and the layout plan was adopted by the council. The surveying (pegging) is also completed, awaiting for the approval of the general plan by the office of the surveyor general, while Environmental Impact Assessment (EIA) Approval has been granted by the department of economic development and environmental affairs. The project will be handed over to the department of human settlements for the construction of top structures soon as the general plan is approved.

In addition, the Municipality's Spatial Development Framework identifies land for future settlement development. The municipality adopted the reviewed spatial development framework, aiming in guiding development within the municipal jurisdiction. According to the spatial development framework, numerous land pockets are identified for human settlement development, proposing various housing densities and typologies. The spatial development framework is aligned to the

municipal integrated development plan and it contains the housing chapter extracted from the housing sector plan for the purpose of housing development and delivery within the municipal jurisdiction.

In this financial year, the municipality appointed the service provider to review the housing sector plan, the plan will be completed t in this financial year in order to be adopted by municipal council. The purpose of the review is to develop a strategic document to inform and guide the Mbizana Local Municipality in the allocation of resources with regards to housing, access to services, administration, and socio economic realities. The plan will incorporate the municipal housing need register, determine the backlogs, infrastructure and Spatial Illustration of projects, demand and backlogs in ward based approach



FIGURE 1: Example of House Provided

Employees :Housing					
Level	2016-2017	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts

0-3					
4-6					
7-9	1	1	1	0	0%
10-12	1	1	1	0	0%
13-15					
Total		2	2		

Financial Performance Year 2017/2018: Housing					
Details					
	2016/2017	2017-2018			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	No budget	R350 000	R335 000	R335 000	R15 000
Expenditure					
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure		R335 000			
Net Operational Expenditure					

Mbizana Local Municipality doesn't have developer status in terms of implementing the housing delivery, it only coordinates, facilitate and administer housing projects. The Department of Human Settlements is responsible for all housing related projects and is the implementing agent on behalf of the municipality; therefore the Municipality doesn't provide any capital expenditure budget for housing section, except for employees.

Below is the project budget from the department of human settlements

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS FOR 2017/18
DESTITUTE AND VULNERABLE	405
UNITS	1755
FULL SERVICES	0
PARTIAL SERVICES	1755
RECTIFICATION	0
BUDGET	R 310, 377, 124

Successes

The municipality and the department of human settlements handed over destitute housing to beneficiaries in ward 14 and 16 beneficiaries. The housing beneficiaries were living in mud houses that can fall at any given time, hence the municipality, department prioritised the families under the destitute programme

Challenges:

Mbizana is the area prone to disaster, residents within the rural part of the municipality are highly vulnerable and impacted by disaster. The municipality is having a bulk infrastructure challenges and the terrain is not friendly to delivery of human Settlement. We are experiencing slow responses from the department for emergency houses as the contractors are not interested because of spatial issues of distance within affected areas that will not be feasible to deliver if they take the project .The municipality have a huge backlog of destitute houses to deliver on.

3.4 Free Basic Services and Indigent support

Background:

Mbizana has been supporting indigent households through provision of grid electricity, provision of alternative energy and free refuse removal. The indigent support policy was reviewed and adopted.

Free Basic Services to Low Income House holds						
Year	Number of House Holds					
	Total	House Holds Earning Less than R 1 100.00 Per month				
		Free Basic Electricity			Free Basic Refuse	
		Total	Access	%	Access	%
2017-18	R8 154 660.00	22 019			980	4%

Financial Performance 2017-18: Cost to the Municipality Free Basic Services Delivered					
Services Delivered	2016/17	2017-2018			
	Actual	Budget	Adjustment Budget	Actual	Variance to Budget
Free Basic electricity and free Basic Alternative Energy					
Indigent Burial Support	-	-	-	-	-
Rates	-	-	-	-	-

Free Basic Services: Refuse removal and compilation of indigent register		R500 004.00	984 000	1 484 004	984 000
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Challenges:

- Indigent register couldn't be adopted by the end of the financial year.
- Limited budget/ funds for supporting all indigent households.

Component B: Roads

3.5. Roads and Storm Water Drainage

During the 2017/18 financial year the Municipality has managed to complete a total of 34.7km new gravel access road. The major challenge with the road construction has been the issue of Borrow Pits. Most of the existing borrow pits are exhausted and some have materials that are not suitable for road construction. This matter coupled with the funding constraints the municipality has had to reduce the length of the roads in some instances or end up doing variation orders. The municipality is solely dependent on the MIG grant for the construction of virgin Access Road and as such we have had to limit the scope of works in some projects to ensure that there is access to the villages.



Qadu School to Mnyani Access Road



Ngqindilili Monument Access Road





Esimnyameni to Mkhambathi Access Road

Gravel Road Infrastructure : Kilometres

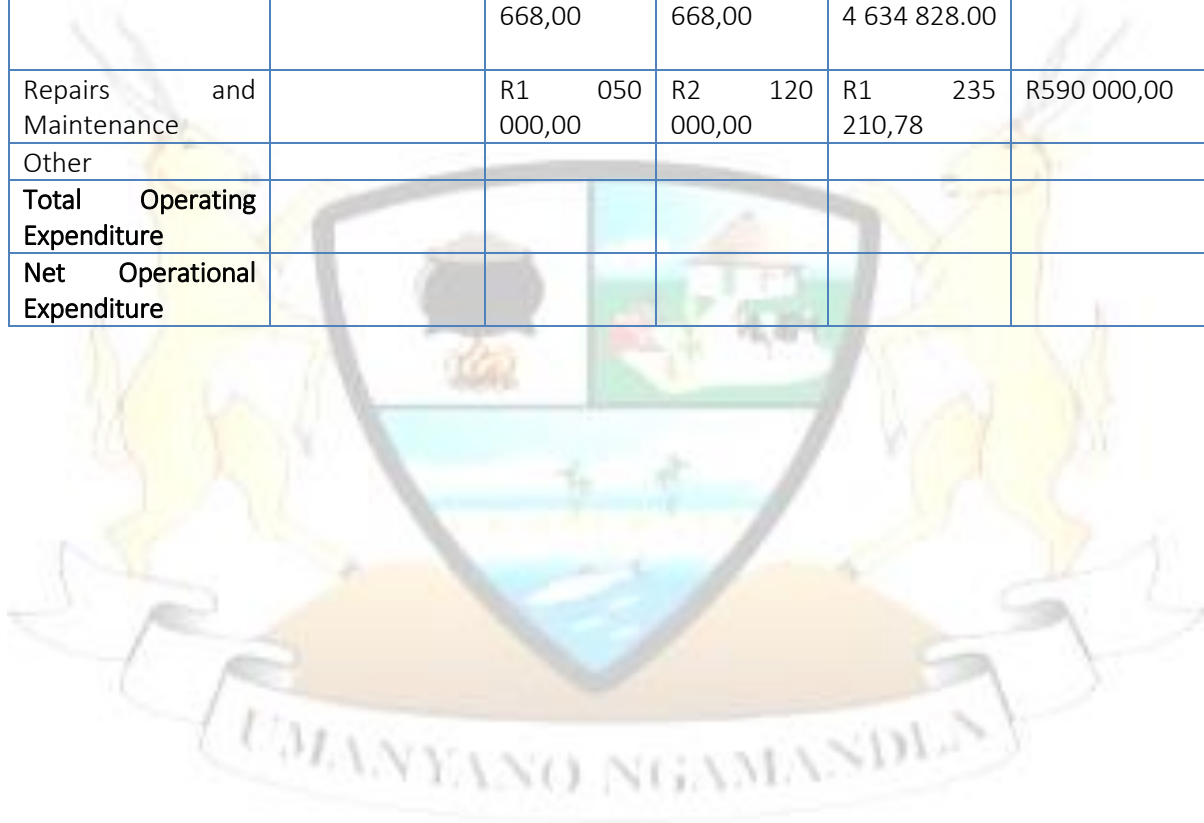
Years	Total gravel Roads(Km)	New Gravel Roads Constructed	Gravel Roads Upgraded to Tar	Gravel Roads Maintained
2015-16	101.7km	49km	1km	51.7km
2016-17	50.7km	34.2km	0km	16.5km
2017-18	82.73km	34.7km	1.5km	46.53km

Cost of Construction and Maintenance : Rand Per KM

Year	Gravel Roads		Tarred Roads	
	New gravel road	Maintained Road	New	Maintained
2015-16	R719,228.95	R234 448,21	R5,791,788.88	R0.00
2016-17	R836,703.25	R 214 710,13	R0.00	R0.00
2017-18	R845 934.81	R 194 972,04	R 4 252 363.27	R0.00

Financial Performance Year 2017-18: Roads

Details					
	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	0	R 2 851 777,00	R 3 921 777,00	R 2 625 075,16	R 1 070 000,00
Expenditure	R31,433,357.71	R19 454 385,00	R39 289 196,00	R31 381 354,13	R11 926 969,13
Employees		R 7 945 668,00	R8 245 668,00	R 4 634 828.00	R300 000,00
Repairs and Maintenance		R1 050 000,00	R2 120 000,00	R1 235 210,78	R590 000,00
Other					
Total Operating Expenditure					
Net Operational Expenditure					



	Capital Expenditure Year 2017-18: Roads (PMU)					
Capital Projects	2017-18					
	STATUS	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Esimnyameni to Mkhambathi Access Road	Completed	1 400 004,00	4 558 549,00	4 143 447,00	2 743 443,00	6 328 210,00
Marina to Voting Station Access Road	Completed	63 233,00	380 178,00	319 005,47	255 772,47	3 028 683,74
Mkhungo to Nkunzi Access Road	Under Construction	1 500 000,00	2 883 357,00	1 932 967,47	432 967,47	4 363 230,30
Mgomanzi Access Road	Completed	1 444 596,00	10 530 121,00	10 081 274,87	8 636 678,87	10 530 121,34
Ngqindilili Monument Access Road	Completed	3 020 004,00	2 779 875,00	1 854 749,69	-1 165 254,31	2 779 875,52
Nonqulana Monument Access Road	Under Construction	1 381 028,00	375 288,00	758 290,29	-622 737,71	4 449 094,00
Qadu School to Mnyani Access Road	Completed	3 249 996,00	3 766 158,00	3 766 180,47	516 184,47	3 766 697,66
Tankini to Mdibi Access Road	Completed	2 250 004,00	2 171 208,00	1 971 206,40	-278 797,60	2 401 686,13
Upgrade of Infrastructure Tarring of Streets in Town	Under Construction	2 916 661,00	9 112 589,00	3 897 406,46	980 745,46	9 112 588,86
Zindleleni via Groundini Access Road	Completed	2 228 859,00	2 731 873,00	2 656 826,01	427 967,01	5 459 837,85
		19 454 385,00	39 289 196,00	31 381 354,13	11 926 969,13	R52 220 025,40

Capital Expenditure Year 2017-18: Roads and Maintenance						
Capital Projects	2017-18					
	Status	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Nyanisweni to KwaMbulzi Access Road(8.9km)	Completed	R300 000,00	R890 000,00	R 1 141 458.78	R590 000,00	R 1 986 562,97
CBD Maintenance – Pothole Patching (150m²)	Completed	R750 000,00	R1 230 000,00	R 1 230 000,00	R480 000,00	R 1 230 000,00
Maphakathi Access Road (1.2km)	Completed	R70 160,00	R 0,00	R70 160,00	R 0,00	R70 160,00
Mbongwana to Greenville Access Road (18.8km)	Completed	R275 000,00	R 0,00	R275 000,00	R 0,00	R275 000,00
Galatweni Access Road (2.83km)	Completed	R179 000,00	R 0,00	R179 000,00	R 0,00	R179 000,00
Ndinomntu Access Road (5.8km)	Completed	R 526 000,00	R 0,00	R 526 000,00	R 0,00	R 526 000,00
Gcinilizwe Access Road (9km)	Completed	R 125 000,00	R 0,00	R 125 000,00	R 0,00	R 125 000,00

Employees : Project Management Unit					
Level	2016-17	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
4-6	1	1 x Civil Eng. Intern	1	Filled	0%
4-6	1	1 X Admin Clerk	1	Filled	0%
10-12	1	1 x EPWP Officer	1	Filled	0%
10-12	1	1 x ISD Officer	1	Filled	0%
10-12	1	1 X Project Accountant	1	Filled	0%
10-12	1	1X Technical Officers	1	Filled	0%
10-12	1	1X Technical Officers	1	Filled	0%
10-12	1	1X Technical Officers	1	Filled	0%
13-15	1	1 X PMU Manager	1	Filled	0%
Total	9(PMU)	9(PMU)	9(PMU)	9(PMU)	0%(PMU)

Employees: Operations and Maintenance					
Level	2016-17	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
4-6	1	1 X Truck driver	1	Filled	0%
4-6	1	1 X Truck driver	1	Filled	0%
4-6	1	1 X LDV Driver	1	Filled	0%
4-6	0	1 X Roller Operator	0	Filled	100%
4-6	1	1 X Excavator Operator	1	Filled	0%

Employees: Operations and Maintenance					
Level	2016-17	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
4-6	1	1 X TLB Operator	1	Filled	0%
4-6	1	1 X Roller Operator	1	Vacant	0%
4-6	1	1 X Grader Operator	1	Vacant	0%
4-6	1	1 X Truck driver	1	Vacant	0%
4-6	1	1 X Grader Operator	1	Filled	0%
10-12	1	1 X Mechanic	1x Mechanic	Vacant	100%
10-12	0	1 X Maintenance Supervisor	1x Maintenance Supervisor	Vacant	100%
10-12	1	1 X Technical Officers	1	Filled	0%
10-12	1	1 X Technical Officers	1	Filled	0%
13-16	1	1 X O & M Manager	1	Filled	0%

Component C: Planning and Development

3.6. Planning

The majority of people in the municipal area live in rural communal areas (94%) in traditional housing. The bulk of the housing demand is therefore vested in rural areas. The exact housing need in the municipal area is 38749. The majority of people within the municipal jurisdiction are residing within self-built structures (traditional dwellings) within rural settlements. Mbizana local municipality is rural in nature, and consists of dispersed, scattered rural unplanned settlements. The municipality is implementing rural housing subsidy programme, aiming in building houses within the rural communities. There is a huge demand of housing within the municipal jurisdiction in both Urban and Rural Areas.

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In this financial year, the municipality appointed the service provider to review the housing sector plan, the plan will be completed in this financial year in order to be adopted by municipal council. The purpose of the review is to develop a strategic document to inform and guide the Mbizana Local Municipality in the allocation of resources with regards to housing, access to services, administration, and socio economic realities. The plan will incorporate the municipal housing need register, determine the backlogs, infrastructure and Spatial Illustration of projects, demand and backlogs in ward based approach

Functions

A function of the section is to enhance service delivery through planning, facilitating, coordinating, administering and implementing the following functions;

Spatial Planning

- To ensure an informed approach towards development in the future in developing of Spatial Development Framework, Nodal Development Plans, Precinct Plans and Review of Spatial Planning Plans.

- Development of a Town Planning Scheme and Zoning Plan, Integrated Land Use Scheme to promote development to occur in a harmonious and coordinated manner
- Development of a Land Use Management System in providing guide lines for land use management in an integrated approach.

Development of Land Audits in identification of municipal, state and private land for purpose of acquisition, disposals, preservation for future development, proper billing

Building Control

- Building Control to improve the built up area that all building plans submitted comply with building regulations by conducting site inspection, building development, management, control and demolishing.
- Facilitate the prevention of unauthorised building works and occupation of illegal buildings.

Valuation

- Develop a credible valuation roll that will improve the property valuation, billing and revenue enhancement for the municipality. Valuation of municipal land for possible disposal and supplementary valuation roll.
- Conducting of supplementary valuations

Town Planning

Land use management for effective, efficient use of land, development control, enforcement and assessment of development applications received and processed for the following categories:

- Rezoning,
- Sub-division,
- Consent use,
- Removal of restrictive conditions
- Township establishments
- Permanent departures

- Temporary departures
- Consolidation
- Land Surveying

Land administration

The management and administering of council owned land, municipal buildings and investment properties for the following;

- Disposal of council land
- Property management of council land, houses and leases on land.
- Acquisition of land for development
- Dealing with land invasions on council land
- Encroachments in municipal properties

Geographic Information Services

Providing of Geospatial services and offering support within the municipal departments in the following services;

- Undertake municipal data capturing and update spatial planning
- Undertake capturing and update of municipal immovable assets (Assets Register)
- Maintenance of GIS Infrastructure

Human Settlement

The Constitution of the Republic of South Africa, 1996 states that everyone should have access to adequate housing. The Housing Act, (of 1997 make provisions the compilation of Housing Sector Plans to be integrated with District Housing Sector Plan and aligned with the Integrated Development Plan.

- Provision of housing and services to guide human settlements, responsible for Beneficiary administration; facilitate the provision of housing and coordinating housing projects.

Key stake holders,

The main players involved in development planning mainly in planning and land use Stakeholder Role/ Responsibility

Department of Local Government and Traditional Affairs	Planning and Surveys, Formalisation of informal settlements, statutory applications approval, spatial planning and land use management
Department of Rural Development and Land Reform	Spatial Planning and Land Use Management, SPLUMA, Land Tenure, Land Claims, Deeds Office, Surveyor General Office.
Dept of Justice	Court Orders for enforcing of bylaws, regulations and municipal policies
South African Police Services	Law Enforcement and Crime prevention
Alfred Nzo District Municipality	GIS Support, spatial planning and land use management
Department of Public Works (provincial, national)	Small Town Revitalisation, Land Acquisition and Disposal
South African Local Government Association	Small Town Regeneration Programme, Land Use Management and Spatial Planning.

Challenges and Successes

The Planning and Land Use Section has challenges in delay of developmental approval of land use/ development applications. The municipality is using outdated Planning Ordinance of 1934 and the Transkei Standard Town Planning Scheme delegate powers to the Local Government and Traditional Affairs for the consideration of land use applications. Below are the challenges anticipated by the section on daily basis:

- Contraventions of town planning scheme regulations and building act standard.
- Illegal land uses and unauthorised building
- Undeveloped residential, commercial sites,
- Land invasions, informal settlement development
- Land claims impeding development
- Dilapidated and deteriorating buildings
- Ribbon development along the R61

- Non approval of subdivision by the Surveyor General Office as they require dual approvals
- None responsive applications in appointment of the municipal planning tribunal

Successes

The section has developed the land invasion policy to deal with the land invasions and outdoor advertising policy to increase revenue streams. The sectional organogram is approved and vacant post budgeted to be filled and implementing departmental mandate.

Implementation of by-laws,

The section is experiencing slow implementation of bylaws due to the nature of the statutory policies require consultations, serving of notices and council resolutions, court orders prior implementation. The bylaws has been adopted by the council and gazetted.

Land audits,

The municipality adopted the land audit document and is in the process of implementing it for the urban area. The main purpose of the land audit was to have an up to date information on all properties, to enable an efficient billing system which will benefit the municipality and residents as well as initiate land use management system that will ensure that the municipality effectively perform its land use function. To also enable the municipality to avail accurate information to property owners in order to ensure efficient development of the said properties and the ownership status of land within the urban edge.

The municipality also developed the land audit for the rural part of the municipality. The main purpose was to obtain the information on the surveyed and unsurveyed properties, registered, unregistered properties in all rural wards through a ward based approach. The municipality obtained the cadastral information that will assist in influencing planning and decision making within these rural spaces and is aligned with the rural zoning.

Issues of land claims

Mbizana Local Municipality has a number of land claims that were lodged in the past years. Various individuals, groups and communities lodged restitution claims for various portions of land around Bizana. The nature of the claims vary from one claim to the other, most of the claims are community claims which involve large portions of land. Some of the land claims fall within the Sustainable Rural Development Program (ISDRP) nodal point. They are as follows:-

- Betterment claims
- Commonage claims
- Forestry claims
- Conservation claims
- Sugar cane claims

The restitution claims in Mbizana are at various stages of the settlement process, including research, claimant verification, valuations, settlement and court referral as guided by Restitution of Land Rights Act 22 of 1994. Urban land claims including the municipal commonage, impeding development. Township Establishment south of Bargain wholesale and commercial development in Erf 10 is part of the land claims in Town.

Building control

In terms of the National Building Regulations and Building Standard Act “No person shall without the prior approval in writing of the local authority in question, erect any building in respect of which plans and specifications are to be drawn and submitted in terms of this Act and if a local authority, having considered a recommendation referred to, is satisfied that the application in question complies with the requirements of this Act and any other applicable law, shall grant its approval in respect thereof.

Building Control Section is mandated by council to enforce the National Building Regulations Act 103 of 1977 as amended through the following aspects plan submission, plan processing, referred plans, approved plans and archiving of original plans.

The building control subsection is to ensure the built environment is according to the required standards as per building regulations. Any construction, amendments, renovations, demolitions of the site requires prior approval and monitoring on different levels for safe environment. Unauthorised buildings are the main challenge and debilitated, deteriorating buildings that pose danger to public/ communities.

Applications for Land Use Development										
Detail	Planning application received		Determination made in the year of receipt		Determination made in the following year		Applications Withdrawn		Applications outstanding at the year end	
	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18	16-17	17-18
Subdivisions	1	3	4	2	0	0	0	0	0	1
Consolidations	0	0	0	0	1	0	0	0	0	0
Rezoning	3	11	0	13	3	0	0	0	0	6
Applications relating to land restrictions	0	2	1	2	0	0	0	0	0	0
Special consents	0	1	0	0	0	0	0	0	0	1
Township Establishment	1	1	1	0	0	0	0	0	0	1
Other application must be mentioned	1	0	0	2	0	0	0	0	0	0

Employees : Planning and Land use and Building control					
Level	2016/2017 FY	2017/2018 FY			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	0	0	-	0	0
4-6	0	0	-	0	0
7-9	1	1	-	0	0
10-12	6	7	-	1	1
13-15	1	1	-	0	0
Total	0	0	-	1	1

Employees :Housing					
Level	2016-2017	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3					
4-6					
7-9	A0302		A0302	0	0%
10-12	A0241		A0241	0	0%
13-15					
Total		1			

Financial Performance Year 2017/2018: Housing					
Details	2016/2017	2017-2018			
	Actual	Original Budget	Adjusted Budget	Actual	Variance if any
Total Operational Budget	No budget	R350 000	R335 000	R335 000	R15 000
Expenditure					
Employees					
Repairs and Maintenance					
Other					
Total Operating Expenditure		R335 000			
Net Operational Expenditure					

Capital Expenditure Year 2017-2018 Housing

Capital Project	2017-2018				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Housing Sector Plan	R350 000	R335 000	R335 000	R15 000	R335 000

Mbizana Local Municipality doesn't have developer status in terms of implementing the housing delivery, it only coordinates, facilitate and administer housing projects. The Department of Human Settlements is responsible for all housing related projects and is the implementing agent on behalf of the municipality; therefore the Municipality doesn't provide any capital expenditure budget for housing section, except for employees.

Below is the project budget from the department of human settlements

KEY PERFORMANCE INDICATOR	ANNUAL TARGETS FOR 2017/18
DESTITUTE AND VULNERABLE	405
UNITS	1755
FULL SERVICES	0

PARTIAL SERVICES	1755
RECTIFICATION	0
BUDGET	R 310, 377, 124

Successes

The municipality and the department of human settlements handed over destitute housing to beneficiaries in ward 14 and 16 beneficiaries. The housing beneficiaries were living in mud houses that can fall at any given time, hence the municipality, department prioritised the families under the destitute programme.



WARD 14 HOUSING



WARD 16 HOUSING

A Service Provider was appointed to conduct the development of a Housing Sector Plan, the project was a success and the time frame was met.

Challenges:

Mbizana is the area prone to disaster, residents within the rural part of the municipality are highly vulnerable and impacted by disaster. Many disaster incidents were reported related for houses blown away by heavy winds, rains resulted to people being homeless.

The terrain is not friendly to delivery of human Settlement within the rural spaces and also result to slow delivery of houses. We are experiencing slow responses from the department for emergency houses as the contractors are not interested because of spatial issues of distance within affected areas that will not be feasible to deliver if they take the project .The municipality have a huge backlog of destitute houses to deliver on.

3.7. Local Economic Development and Tourism

In 2016 the Mbizana Local Municipality undertook a process of reviewing the LED strategy, from the basis that any strategically planned LED can increasingly be used by its communities to strengthen the local economic capacity, improve the investment climate, and increase the productivity and competitiveness of local businesses, entrepreneurs and labour force. This is aimed at empowering the

local communities to restructure their economic situation, through an effective utilization of their hard and soft infrastructure to stimulate growth required to create jobs and reduce poverty.

An assessment of the local economy indicated a distressed community, faced by the triple challenges of poverty, unemployment and inequality.

Mbizana has been identified to have a potential in the following key growth sectors, which are mostly underperforming, in terms of local economy contribution:

- Agriculture
- Forestry
- Tourism
- Wholesales and Trade
- Construction
- Mining
- Mari-culture

The municipality has a limited and almost non-existent industrial economy. Like most rural municipalities in the Eastern Cape, development is limited, which could be due to acute backlogs in social and economic infrastructure. The agricultural sector's contribution to the municipal economy is not in line with its contribution to employment, suggesting that this sector creates employment, as it is labour intensive, but has low levels of productivity hence the introduction of programmes such as the red hub. One of the main reasons for this can be attributed to the rural nature of the municipality, and the dependence of the population on subsistence agriculture. As such, the agriculture sector is probably worth much more in terms of the monetary value of its output and production, and contribution to household food security. Agriculture has a development potential, but specific focus such as the red hub programme and other interventions are required to overcome some of the challenges faced by this sector. Subsistence farming is dominant in the majority of the municipality, and includes the farming of both crops and livestock. Subsistence farming is relatively small-scale operations and includes a variety of crops (e.g. maize, beans, vegetables, and fruit). This sector is very vulnerable to external shocks, and is characterised by a lack of economic infrastructure, and a lack of access to broader business support. One of the biggest challenges facing the municipality is how to increase productivity within the subsistence agriculture sub-sector

According to the municipal IDP and the Mineral Resources Assessment Report, mining has been identified as another sector with untapped potential, currently occurring on a limited scale, because the area has little commercial exploitable endowments of precious metals and minerals, and is not generally known as a mineral rich area. Small scale mining is presently restricted to sand mining and quarrying to supply the construction industry, but can be developed into a formalized industry. Examples of areas with noticeable potential include Xolobeni mining –Titanium, Quarries and Sand mining (Imizizi & Xolobeni), Umbhongweni, aMaMpisi and Amadiba, are the main Clay mining potential areas.

It could be noted from above, there is still a huge untapped development potential within the key growth sectors of the municipality, which through dedicated and well-planned sector development, could promote social development, and thus stimulate sustainable economic growth.

RED HUB

The Red Hub is operated and owned by the SivukaSonke Bizana Secondary Co-operative trading as Mbizana Red Hub Milling Plant. The Cooperative is engaged in agro-processing, selling of raw maize and mechanization services. The project being implemented by ECRDA covers 6 wards constituting 11 villages. The 6 wards have registered 15 primary co-operatives that were then able to register the secondary co-operative SivukaSonke Bizana Secondary Co-operative trading as Mbizana Red Hub Milling Plant.

List of Primary Co-operatives & their locations

NO.	CO-OPERATIVE NAME	LOCATION
1	Makukanye	Emazweni
2	Masithandane	Ludeke
3	Ndayini	LudekeHalt
4	Makusetyenzwe	Majazi
5	Ntshikintshane	Dudumeni
6	Magqabasini	Magqabasini
7	Gwabeni	Gwabeni
8	Gxothindlala	Lubala
9	Okwethu	Doborasi

10	Masizondle	Zityaneni
11	Ilinge	Dyifani
12	World Focus	Siwisa
13	Tsweleni	Mdikiso
14	Dinda	Dudumeni
15	Mveco	Mdikiso

2017/ 18 CROPPING SEASON:

The RED HUB was given 1500 hectares for the last cropping season based on the budget allocated by the Head Department of Rural Development and Agrarian Reform (DRDAR). The 2017/18 cropping season the RED HUB planted 1251 out of 1500 hectares because the study of GPS showed that not the whole part of 1500 hectares is suitable for planting, some parts of the land is rocky, wet and very steep, the below table is showing that and here some of the factors that affected the harvest of 2017/18 cropping season.

ANALYSIS OF THE CROPPING AND HARVEST REPORT

Our harvesting started very late during the month- end of June.

- This was all due to that we started ploughing and planting very late last season.
- Because of that, we had to hire an additional combine harvester to assist us in harvesting, which is very expensive.
- Our yields are very low due to livestock damages, theft, poor seed cultivars and poor soil preparation.
- And also our maize was not of good quality due to also the above – mentioned reasons/issues.
- We also recently experienced storage problems at our two silos (2000 tons)

MAIZE PLANTED:

Primary Co-op Name	Location	WARD	NO. OF MEMBERS	PLOUGHED LAND (Ha)	PLANTED LAND (Ha)	PLANTING DATE
Makukanye	Emazweni	4	69	111	97	2017/18
Masithandane	Ludeke	4	34	100	64	2017/18
Ndayini	Nomlacu	4	35	120	108	2017/18
Makusetyenzwe	Majazi	7	55	139	139	2017/18
Ntshikintshane	Dudumeni	8	35	44	40	2017/18

MAIZE PLANTED:

Primary Co-op Name	Location	Ward	NO. of Members	Ploughed Land (Ha)	Planted Land (Ha)	Planting Date
Makukanye	Emazweni	4	69	111	97	2017/18
Masithandane	Ludeke	4	34	100	64	2017/18
Ndayini	Nomlacu	4	35	120	108	2017/18
Makusetyenzwe	Majazi	7	55	139	139	2017/18
Ntshikintshane	Dudumeni	8	35	44	40	2017/18
Magqabasini	Magqabasini	8	56	66	58	2017/18

Gwabeni	Gwabeni	9	153	180	137	2017/18
Gxothindlala	Lubala	26	87	169	145	2017/18
Okwethu	Doborasi	31	41	75	69	2017/18
Masizondle	Zityaneni	31	26	61	53	2017/18
Ilinge	Ilinge	31	49	175	175	2017/18
World Focus	Siwisa	31	24	73	68	2017/18
Mdikiso	Tsweleni	4	44	60	60	2017/18
Dinda	Dinda	8	32	47	41	2017/18
Mveco	Mdikiso	4	21	80	69	2017/18
TOTAL				1451	1251	

SALES & MARKETING

SALES FOR THE PERIOD STARTING MARCH 2017 TO DATE				
<i>Month</i>	<i>Sales total</i>	<i>Mielie Meal</i>	<i>Raw Maize</i>	<i>Germ Meal</i>
Mar	R 28 110,00	R 26 570,00	R -	R 1 680,00
Apr	R 43 670,00	R 31 030,00	R -	R 12 640,00
May	R 65 650,00	R 39 450,00	R -	R 24 200,00
Jun	R 45 200,00	R 34 000,00	R -	R 11 200,00
Jul	R 92 999,50	R 79 249,50	R -	R 13 750,00
Aug	R 74 690,00	R 60 750,00	R -	R 13 940,00
Sep	R 65 450,00	R 30 280,00	R -	R 35 170,00
Oct	R 259 934,80	R 28 310,00	R 213 384,80	R 18 240,00
Nov	R 119 727,00	R 14 410,00	R 72 787,00	R 32 530,00
Dec	R 460 384,70	R 14 860,00	R 430 724,70	R 14 800,00
Jan	R 605 762,00	R 11 785,00	R 572 527,00	R 21 450,00
Feb				
March				
Total	R 1 861 578,00	R 370 694,50	R 1 289 423,50	R 199 600,00

STORAGE SILOS & MILLING PLANT

Currently the RED HUB have two silos and each capacity of the silos is 1 ton and the milling plant capacity is running at 1.1 ton per hour that is produced currently.

TOTAL INVESTMENT

Stakeholder Management and Social Facilitation	R62 415.00
Primary Maize Production	R6435519.00
RED Hub Mechanization Unit	R0
RED Hub Silos & Milling	R7 100 000
RED Hub Trading store	R0
RED Hub Security	R229 000.00
Capacity Development	R90 000.00
TOTAL BUDGET	R13 916 934.00

JOB'S CREATED

JOB DESCRIPTION	NUMBER OF WORKERS
RED Hub Manager	1
Finance/Admin Clerk	1
Mill Workers	2
Casual Mill Workers	0
Truck Driver	0
Mechanization Unit Supervisor	0
Tractor Operators	6
Field Supervisor	0

Site Admin	11
Rangers	17
Interns	0
TOTAL	38

CONTRACTOR DEVELOPMENT PROGRAM

In the year 2014 the municipality in partnership with local business forums initiated the 3 year contractor development programme in order to ensure development of emerging contractors that had low grades (Grade 1-3) and also ensure capacity development of the contractors in order to ensure that at the end of the programme emerging contractors can be able to compete in the open market.

The contract development programme has closed and the municipality is relying on development projects within Mbizana to provide job opportunities for emerging contractors. Projects such as the N2 toll road implemented by SANRAL, Mphuthumi Mafumbatha Stadium and the Civic centre through legislature are required to set aside 30% of the project budget for local SMMEs.

INFORMAL TRADING: MARKET PLACE

The municipality has 25 licensed hawkers trading in the market place. There are hawkers in the market place undertaking various activities such as spaza shops, basic food stuffs, clothing, hair products, airtime, toys, fruit and vegetable etc. The market place is fairly organized. The municipality has also been able to undertake cubing of electricity in the stalls at the market place in order to ensure hawkers are able to operate their businesses at the optimum level.

TOURISM

The municipality is endowed with pristine beaches, appealing scenery, and petrified forests which make it the precinct unique from other destinations throughout the province. The municipality has one extensively developed tourism infrastructure in the form of the wild coast sun. The Mzamba tourist region attracts both transit and nature based tourism, due to its strategic location, being at the provincial border between the EC and KZN. The Wild Coast Sun International Casino and Resort remains the only 4 star graded facility in the area, and offers sports facilities, including a championship golf course which hosts international tournaments, hotel resorts and spas, safari lodges, B&Bs, guest houses and back packs. The area is also the birthplace of legends like Oliver Regional Tambo and Winnie

Madikizela Mandela. Mbizana is also known as the pondoland centre of the endemism because of its internationally acclaimed biodiversity hotspot.

CHALLENGES:

- Poor access to heritage sites
- There is Inadequate tourism infrastructure in-land
- Lack of product supply chain system to link producers to market.
- Lack of developed heritage sites

SUCSESSES:

The Municipality was able to attend the acclaimed Tourism Indaba in order to sell and market Mbizana as a tourism destination. The Department of Arts and culture (DAC) has committed to allocate funds for the Khananda Hill Massacre Legacy Project.

Jobs Created by LED Initiatives excluding				
Year (Top 3 Initiatives	No of jobs created	Jobs lost/ displaced by other initiative	Net Total jobs created in a year	
2014-15	28	0	28	
2015-16	1692	0	1692	
2016-17				
2017-18				
Jobs created by EPWP projects				
Year	No of EPWP projects		No of Jobs created	
2017-18	27		572	

Financial Performance Year 2016/17: LED and Tourism					
Details					
	2016-2017		2017- 2018		

	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue		115596	81982.57	2794	
Expenditure					
Employees		4047660	4047660	3344654	
Repairs and Maintenance		125 004	125004	118500	
Other		5400096	5400096	4784872	
Total Operating Expenditure		9572760	9572760	8248026	
Net Operational Expenditure		-9490837	- 9490837		

Employees : Local Economic Development and Tourism					
Level	2016-2017	2017-2018			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	None	None	None	None	
4-6	None	None	None	None	
7-9	None	None	None	None	
10-12	5	5	5	None	
13-15	1	1	1	None	

Total	6	6	6	None	
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Capital Expenditure Year 2017-2018: Local economic Development					
Capital Projects	2017 -2018				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Anchor Project	1476336	1476336	508775		508775
SMME & Cooperative Support Fund	403668	403668	39700		39700

Component D: Community and Social Services

3.8. Libraries and Community Facilities

There is one fully functioning library with most resources in Bizana town and 2 Modular libraries in Ward 27 (O.R. Tambo Technical School) and Ward 8 (Dudumeni Community Hall), DRSAC is also in the process of establishing another library at Ebenezer J.S.S. in Ward 24. The municipality promotes usage of libraries, instilling a culture of reading and lifelong learning through a variety of programs: Establishment of book clubs, National Book Week, Holiday Programs, Mini-Lib campaign and celebration of World book day.

Access to the library resources is free. Signing up for membership, proof of residence and identity document qualify anyone to have access to library resources. Library services provide access to the following:

- Books
- Newspapers and Magazines
- Use of computers
- Limited free access to Internet

Library awareness programs held during the financial year:

- National Book Week
- Book Clubs awareness
- Holiday Programmes
- Library Week
- Mini-Lib awareness
- World Book Day

Roles & Responsibility of Stakeholders

Library Committee

A library committee means a committee that acts as an advisory body of libraries

Role & Responsibilities of Library Committees

- Ensure that government's goals and objectives are met.
- Effective and efficient library service
- Provide support & establishment of other libraries.
- Mobilise resources for libraries
- Represent community in library related matters
- Library advocacy
- Organizing the events for library promotion.



Library awareness programs held during the financial year:

Component D: Community and Social Services

3.9. Cemeteries:

In terms of Schedule 4 and 5 of the constitution, specific functions are to be performed by the municipality and amongst these functions the provision of cemetery services and maintenance thereof. The municipality operates one cemetery in town which was extended and fenced in the financial year.

Challenges:

- Limited space available for cemetery services in town
- Limited funds for maintenance of cemeteries

Future Plans:

- Identification of cemetery land in peri-urban areas
- Maintenance of cemetery incorporated in the EPWP.
- Tagging & numbering of graves
- Fencing of cemeteries

3.10. Aquatic Safety

There are 5 beaches that the municipality is responsible for, Mzamba, Skhombe, Khwanyana, Mnyanmeni and Mtentu. The municipality applied for funding from Department of Environmental Affairs and currently it is that initiatives which is responsible for Cleaning of beaches, removal of invasive alien plants. Two beaches, Mzamba and Mtentu beach attained pilot blue flag status and the municipality has recently applied and included in the Tourism Blue flag project. The project has introduced 4 Beach Stewards who will be responsible for daily awareness's on beach safety, recording tourism statistics, ensuring cleanliness of beach through monitoring and advising, and liaising with relevant departments on enforcement issues, such as DAFF, DEDEAT and DEA. The local and district municipality conducts coastal awareness's from time to time which involve communities, learners and all relevant structures in the coast. The municipality also established a Coastal Working Committee, a structure formulated for addressing issues, suggesting interventions and programmes that will ensure coastal development and conservation, and discuss any developments along the coast without neglecting the existing legal framework; local, provincial as well as national. In these committee meetings, the structures which include the users of the beach such as commercial fishers an opportunity to advise on awareness's to be conducted is given. DAFF also conducts daily

operations to ensure that aquatic life is conserved and is a benefit to local people as well in a sustainable manner.

3.11. Special Programmes

Special groups refer to the previously marginalise and discriminated members of our society. During the apartheid regime, they were infringed from accessing their basic need and rights. They were suppressed into feeling of inferiority, regret and shame.

As part of the South African legislation the Municipal Systems Act (Act no 32 of 2000), Section (2) states that “a municipality must establish appropriate mechanisms, processes and procedures to enable the local community to participate in the affairs of the municipality”; Section (3) of the same Act states that, when establishing mechanism, processes and procedures in terms of Section (2) the municipality must take into account the special needs of:

- People with disability
- Children
- Women
- Elderly
- Youth

Elderly

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
1. Support of Elderly Centres	Supported Elderly Centre with 40 chairs, 3 Big Sauce pan , Gas Stove and Gas Cylinder	Mhlanga Elderly Centre, Ngcingo Elderly and Nomlacu Elderly Centre	163
2. Golden Games	1. Hosted trials for District Games	Mafumbatha Stadium	35 Elderly Centre

	2. District Golden Games		
3. Elderly Christmas Party	Supported 1 oldest woman and man per ward with Christmas Presents	Mbizana Local Municipality Council Chamber	62 elderly Person

PWD

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
Support Functioning of PWD Forum	1. 6 awareness campaigns Conducted	ward 5, 30,24, 8, 7 and 6	6 communities benefited
	2. Supported Mzomtsha Home for Disabled Children with Grocery and sanitary equipment	Ward 7	35 disabled children benefited
	3. Sport day	Mafumbatha Stadium	150 disabled sport man

Children

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
1. Back to School Campaign	Uniform Support	Mbongwana JSS , ward 29 Jali SPS, ward 06 Sigondlweni JSS, ward 11	140 learner benefited

		Lucwaba JSS, ward 11 Mthamvuna JSS, ward 05 Dumile JSS, ward 12 Impunzi JSS, ward 18 Zinini JSS, ward 07 Bekela JSS , ward 25 Mzambana JSS, ward 12	
2. 16 Days of Activism Awareness Campaign	Awareness Campaigns and delivery of sanitary towels	Luthulini Jss, Marelane SSS, KuQobo Jss	1200 Girl Learners
3. Inkciyo Support	Umkhosi WoMhlanga	UMgungundlovu	3 000
4. Inkciyo Support	Inkciyo Inspectors Workshop	Estuary	100 People
5. Support of Child Headed Families	Grocery for Christmas party	Mbizana Council Chamber	30 child headed household

Youth

- Initiation
- Summer Season 2017 Statistics

Item	Number
1. Deaths	02
2. Amputation	00
3. Admissions	02
4. No. of Cases Opened	03

5. Arrests	01
6. Rescued Initiates	34
7. Visited Camps	52
8. Not Visited Camps	38
9. Legal Schools	
10. Total No. of the initiates	1890

▪ **June Season Statistics 2018**

Item	Number
1. Deaths	03
2. Amputation	00
3. Admissions	05
4. No. of Cases Opened	04
5. Arrests	00
6. Rescued Prospective Initiates	159
7. Visited Camps	38
8. Not Visited Camps	41
9. Legal Schools	42
10. Illegal Schools	37
11. Total No. of the initiates	1599

Mayor's School Achievement Awards

This program was initiated to provide support and motivation to dedicated schools, learners and Educators. The 2017/2018 Financial Year Awards were as follows:

Best Schools

Category	Winners	Percentage	Prizes
Best Performed School	Marelani SSS	92.7%	Trophy
Second Best Performed School	Chief Dumile SSS	91.3%	Trophy
Third Best Performed School	Mpondombini SSS	84.4%	Trophy
Most Improved School	Vukayibambe SSS	42%-80.5%	Trophy
Consistent good quality results	Mpondombini SSS	ABOVE 80% for three year	Trophy

Best Performed Learners

Category	Name of the learner	School	Gender	Prizes
Best performed learner	Gama Vuyisa	AD Tshayingca SSS	M	Lap top, printer and R10 000
Second best performed learner	Lanyosi Mlamleli	Marelane SSS	M	Laptop and R 7 500
Third best performed learner	Mangqalaza Ndzululwazi	Bizana SSS	M	Laptop and R 5000
Best performed learner with disability	Gxumisa Yolanda	Zamokuhle Special School	F	Laptop and R 5000
Best performed girl learner	Sigobo Lethu	Marelane SSS	F	Laptop and R 5000

Best Educators in scarce skills

Category	Educator	Percentage	School	Prize
Best teacher in Mathematics	Mr. L Ngqongwa	86%	Chief Dumile SSS	Trophy
Best teacher in Physical Sciences	Mr. MMS Mkula	82%	Bizana Village SSS	Trophy

Best teacher in English	Ms. Makalima	100 %	Maralene SSS	Trophy
Best teacher in IsiXhosa	Ms. Xhobiso	100%	Marelane SSS	Trophy
Best teacher in Life Sciences	Mr. EM Gabanda	87%	Mpondombini SSS	Trophy
Best teacher in Agricultural Sciences	Mrs. AJ Martins	97%	Mpondombini SSS	Trophy

Career Exhibition

DATE	VENUE	NO. OF SCHOOLS	TIME
23 July 2018	Ngalonkulu SSS	04	09h00
24 July 2018	Sithukuthezi SS	06	09h00
25 July 2018	Nongeke SSS	06	09h00
26 July 2018	Marelane SSS	10	09h00
27 July 2018	Mzamba CHS	10	09h00

Office consultation

Assisted young people walking in to our office to get assistance with;

- a) University application
- b) University funding access
- c) How they can access bursary and bursary application
- d) Where can they be assisted with business funding and business development
- e) Motivation and mentoring of young people
- f) Job hunting, interviews tips and CV writing skill
- g) Collections of unemployed youth data base

Women

Project to be Implemented	Program	Ward /Venue	Number / name of beneficiaries
Support functioning of women's Forum	Women's Forum Induction	St Michaels	30

Awareness Campaign	Women Dialogue on Women Empowerment	Multi-Purpose Youth Centre Hall	500
Women's Month Celebration	Women's Month Celebration	Mbongweni Location, Ward 16	1000
Support functioning of women's Forum	Establishment of Women Ward Forums	Ward 23,19,13,21,03,7 and 29	500



Component E: Environmental management and Signage Control

3.12. Pollution control, Biodiversity, Landscape and Coastal Protection

The Environmental Management section has a responsibility to ensure a safe environment for all locals of Mbizana. The following projects have been facilitated and implemented by the section during the year under review:

- **Working for the Coast Project-** a project funded by Department of Environmental Affairs. The projects deliverables include coastal clean-up, installation of signage, coastal rehabilitation, invasive alien plant removal, installation of braai facilities and bins, construction of ablution facilities.
- **Proclamation and fencing of the proposed Mthamvuna Nature Reserve-** A project funded by Department of Environmental Affairs with an amount of R10 000 000.00. The projects deliverables include completion of proclamation processes, fencing of the nature reserve and establishment of a medicinal nursery. The project is implemented in ward 18, 21 and 29.
- The municipality has been implementing a climate change strategy which seeks to address environmental issues around Bizana. The strategy forms part of the IDP and has a list of projects that address climate change challenges.
- **Alien Plant Removal-** Alien invasive plants pose one of the biggest and most problematic threats to the environment of Mbizana. Not only may their effects be latent and sometimes difficult to detect and assess in extent, but they may just as easily be explosive and overwhelming. Similarly new areas have been invaded that were considered “clean “and safe from immediate threat. Within the Mbizana Coastal terrain there is a high invasion currently at a tough and challenging pivot point as alien species are arriving and producing at an alarming and increased rate, driven by a combination of natural and man-made factors such as floods and inappropriate land use practices. In Mbizana, the invasion of alien grasses has dramatically increased and enhanced levels of creativity are needed to enhance the appropriate reaction time and effectiveness frequency and intensity of fires in dry forests. This has contributed to the conversion of almost all native dry forests to grasslands dominated by alien species. The municipality received funding to implement the Alien invasive plant removal from DEDEAT and the project is currently being implemented.
- **Maintenance of Greened Sites and cemeteries-** The project aims to maintain all sites that are greened. The work to be done in all the greened sites includes trimming and pruning of trees, removal of weed in all planted areas and on the pavement, grass cutting, maintenance and landscaping, removal of trees and pruning.
- **Environmental Awareness Programs**

- To ensure thoughtful decisions on complex environmental issues, the municipality is obligated to conduct awareness campaigns, so as to create a population that is well-informed on environmental issues which is a great challenge in our rural town. Changing demographics, advancing technology and global perspectives all compete for our attention and awareness. The Environmental Management section conducted 2 campaigns including introduction of Local Environmental Awards.



Challenges:

- Limited funding to implement environmental projects
- Lack of understanding of environmental management in the general public.
- None compliance by both government and private sector.

Future Plans:

- Source more funding
- More environmental awareness's

Employees : Environmental Management and Biodiversity					
Level	2016/17	2017/18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	-	-	-	-	
4-6	-	-	-	-	
7-9	A0253	1	A0253	0	0
10-12	A0168	1	A0168	0	0
13-15					
Total					

POUND:



Mbizana Local Municipality has established a pound which has started its operations. The pound is situated at Ext 4 in Highland view at terrain morphological unit 3. The pound aims at implementing the legal processes of impounding stray and trespassing animals within the CBD, public roads, and private properties within Mbizana Local Municipality jurisdiction thus fostering to communities a sense of responsibility for their livestock and also enforcing municipal bylaws.

POUND SECTION

Background:

Mbizana Local Municipality has established a pound which has started its operations. The pound is situated at Ext 4 in Highland view at terrain morphological unit 3. The pound aims at implementing the legal processes of impounding stray and trespassing animals within the CBD, public roads, and private properties within Mbizana Local Municipality jurisdiction thus fostering to communities a sense of responsibility for their livestock and also enforcing municipal bylaws.

ACTIVITIES

The activities that are presently conducted at Mbizana Pound is the collection and keeping of stray and trespassing animals within the CBD and Mbizana communities.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

- Tagger
- Drenching gun
- Prodders

SUCSESSES

The Pound is performing its core functions successfully regardless of the challenges that are obstructing the service.

CHALLENGES

- The challenge that is prominent is the shortage of staff for Pound.
- No water infrastructure.
- Carrying capacity of enclosures is not enough for number of animals kept.

Pound Data		
Details	2016-17	2017-18
	Actuals	Actuals

Total Number of animals impounded	62	175
-----------------------------------	----	-----

Employees : Pound					
Level	2017-18				
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	2	2	2	0	50%
4-6					
7-9					
10-12	1	1	1	0	100%
13-15					
Total	3	3	3	0	70%

Capital Expenditure Year 2017-18: Pound					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
N/A					
Financial Performance Year 2017-18: Pound					
Details	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	R9 995.47	R74 905.47	N/A	N/A	N/A
Expenditure	N/A				
Employees	N/A				
Repairs and Maintenance	N/A				
Other	N/A				
Total Operating Expenditure	N/A				
Net Operational Expenditure	N/A				

3.14. Fire and Disaster Management

The municipality has been implementing a level 1 Disaster Risk Management Plan since 2016.

The key intended outcomes of this plan are the integration of Disaster Risk Management into the strategic and operational planning and project implementation of all line functions and role players within the municipality, the creation and maintenance of resilient communities within the area and an integrated, fast and efficient response to emergencies and disasters by all role-players. This level 1 Disaster Risk Management Plan must enable Mbizana Local Municipality to adhere to the requirements of a level 1 Plan as per section 3.1.1.2 of the National Disaster Management Framework.

Through partnerships with other stakeholders like ANDM and Working on Fire, the municipality has conducted awareness programs on Veld Fire management in 4 various areas.

The outcomes of the awareness campaigns were establishment of community fire committees which have been continuously visited and mentored by ANDM.





Achievements:

- Conducted three awareness campaigns.
- Educating communities about the dangers of unmonitored fires.
- Trained fire fighters volunteers in Ward 07 and 02.
- Adopted Social Relief of Distress Policy.

Challenges:

- There is not enough resources both human and financial resources.

COMPONENT F: SAFETY AND SECURITY

3.15. Driver's Licensing and Testing Centre

Protection Services is subdivided into four sections that is; **Traffic law enforcement, Driving licence testing Centre, Registering Authority, Security Services and Pound.**

TRAFFIC SECTION:

This section serves to ensure roadworthiness of public transport, the enforcement of Bylaws, Safety of road users, minimise carnages of road accident, to create free flow of traffic and encourage voluntary compliance to the Legislation (N.R.T.A 93/96).

ACTIVITIES:

- Issuing of traffic fines on Section 56 and Section 341 notices.
- Ensure safety for all road users.
- Enforcement of By-laws.
- Reduction of accident fatalities and injuries in Mbizana.
- Confiscate un-roadworthy m/vehicles.
- Attend court cases.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

- Breathalyzer
- Speed Machine
- Measuring Wheel

CHALLENGES:

- Street Vendors trading on Sidewalks
- Municipal sites multiplied and mostly not thoroughly fenced.
- No pound zone for confiscated unroadworthy m/vehicles.

RECOMMENDATIONS:

- More awareness campaigns on road safety should be intensified.
- **Local Economic Development Section** should consider issuing Trading Permits at Safe places.
- Wall fencing to all Municipal sites should be prioritized.



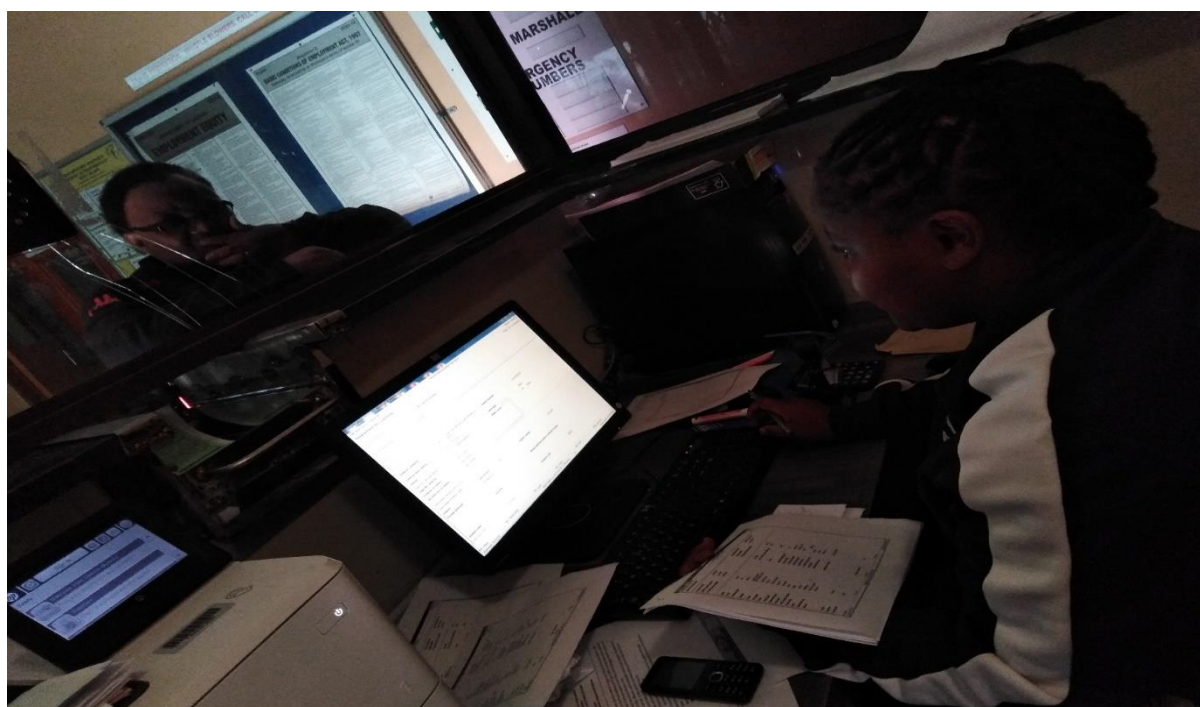


DRIVING LICENCE TESTING CENTRE:

The Centre is all about ensuring safety of Road users in Mbizana by issuing credible learners licence, professional driving licences, renewal of driving license cards and driving license for all codes other than motor cycle.



REGISTERING AUTHORITY:



It serves the purpose to renew m/vehicle licences and registration of new vehicles to the system.

Traffic Police Service data				
Details	2016-17	2017-18		2018/19
	Actual Number	Estimated Number	Actual Number	Estimated Number
Number of road traffic accidents during the year	668	290	590	275
Number of by-law infringements attended	31	25	87	21
Number of traffic officers on the field on an average day	13	14	13	14
Number of officers on duty on an average day	13	14	14	15

Employees : Protection Services including security services					
Level	2016/17	2017-18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	2	2	2	0	100%
4-6	26	26	22	4	18.8%
7-9	8	10	8	2	100%
10-12	16	17	13	4	60%
13-15	2	1	1	0	50%
Total	54	55	41	10	31.7%

Capital Expenditure Year 2017-18: Protection Services					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
N/A					
Financial Performance Year 2017-18:					
Details	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	R 937 399.00	420 000,00	N/A	N/A	
Expenditure	N/A				
Employees	N/A				
Repairs and Maintenance	N/A				

Other	N/A				
Total Operating Expenditure					
Net Operational Expenditure					

DLTC Data		
Details	2016-17	2017-18
	Actuals	Actuals
Total Number of learner's licences processed	2541	2260
Total Number of driver's licences processed	2620	3218
Average turnaround time – learners licence	2 weeks	2 weeks
Average turnaround time – Drivers- licence	2 weeks	2 weeks

Employees : DLTC					
Level	2017-18				
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3					
4-6	3	3	2	1	100%
7-9					
10-12	3	3	1	2	20%
13-15					
Total	6	6	3	3	70%

Capital Expenditure Year 2017-18: DLTC					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
N/A					
Financial Performance Year 2017-18: DLTC					
Details	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	R1.759 397.86	R2 621 403.42	0	0	0
Expenditure	N/A				
Employees	N/A				
Repairs and Maintenance	N/A				
Other	N/A				
Total Operating Expenditure	N/A				
Net Operational Expenditure	N/A				

SECURITY SERVICES:

Mbizana Municipality has eleven sites that should be taken care of amongst others is the institution (Mbizana Municipality) with all the resources and assets. **The additional Heritage Site and National key Point:** Youth Centre had been chosen as the suitable place to erect Statue of Political legend (O.R Tambo) on the 27 October 2017.

The Institution permanently employed two security supervisor, 18 Security Officers working from Monday to Friday, covering mornings and afternoons and 2 vacant position for security. Weekends and public holidays as well as night duties are covered by private security services. This subsection further has a VIP protection unit with three fulltime officers and currently under medical attention since of January 2018 after he was involved in a terrible accident. The main objective for this section is to

secure all Municipal key points, Assets, Resources, staff and the unit as indicated is attached to the principals in terms of security. To create safe working environment.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

None

PROGRESS:

- **Mbizana Municipality** successfully appointed **Pro secure Security Services** to render safety services from February 2018 till the end of January 2021. The Control points to the Institution; Entrance and exit are monitored and controlled accordingly by the in house Security. Functional CCTV cameras taking records of all activities within the Municipality.

CHALLENGES:

- Shortage of Security Officers.
- The Youth Centre is not properly fenced.
- Parking area for Municipal building is insufficient.
- There is no area for confiscated and municipal vehicles.
- No proper fence to all municipal.
- No proper Guard-houses for all Municipal sites



3.17. POUND SECTION

Background:

Mbizana Local Municipality has established a pound which has started its operations. The pound is situated at Ext 4 in Highland view at terrain morphological unit 3. The pound aims at implementing the legal processes of impounding stray and trespassing animals within the CBD, public roads, and private properties within Mbizana Local Municipality jurisdiction thus fostering to communities a sense of responsibility for their livestock and also enforcing municipal bylaws.

ACTIVITIES

The activities that are presently conducted at Mbizana Pound is the collection and keeping of stray and trespassing animals within the CBD and Mbizana communities.

NUMBER OF TECHNOLOGICAL MACHINES AVAILABLE

- Tagger
- Drenching gun

SUCCESSSES

The Pound is performing its core functions successfully regardless of the challenges that are obstructing the service.

CHALLENGES

- The challenge that is prominent is the shortage of staff for Pound.
- No water infrastructure.
- Carrying capacity of enclosures is not enough for number of animals kept.
- The road infrastructure to the pound is not good.



Traffic Police Service data				
Details	2016-17	2017-18		2018/19
	Actual Number	Estimated Number	Actual Number	Estimated Number
Number of road traffic accidents during the year	668	290	590	275
Number of by-law infringements attended	31	25	87	21
Number of traffic officers on the field on an average day	13	14	13	14
Number of officers on duty on an average day	13	14	14	15

Employees : Protection Services including security services					
Level	2016/17	2017-18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts

0-3	2	2	2	0	100%
4-6	26	26	22	4	18.8%
7-9	8	10	8	2	100%
10-12	16	17	13	4	60%
13-15	2	1	1	0	50%
Total	54	55	41	10	31.7%

Capital Expenditure Year 2017-18: Protection Services					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
N/A					
Financial Performance Year 2017-18:					
Details	2016-17	2017-18			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to the Budget
Total Operational Revenue	R 937 399.00	420 000,00	N/A	N/A	
Expenditure	N/A				
Employees	N/A				
Repairs and Maintenance	N/A				
Other	N/A				
Total Operating Expenditure					
Net Operational Expenditure					

Component G: Sport and Recreation

3.16. Sport Development

The section has assisted to transport Karate members attending build-up games towards their World Cup tournament to be held in China. We provided all travelling logistics.

We also assisted football teams on competitions competing at South African Breweries League.

In commemorating the Legacy of O.R. Tambo we did the following projects:

- Umzila kaTambo
- National Commemoration in Nkantolo
- District Choral Music Competition

Component H: Corporate Policy Offices and Other Services

3.17. Executive and Council Structures.

The municipality operates within a Collective Executive System combined with a ward participatory system. It has 31wards and 61 Councillors with an Executive Committee consisting of 10 members. There are 12 Traditional Leaders participating in the council. Ward Councillors chair ward committees which are responsible for discussing local concerns. The Council meets once a quarter to consider recommendations from the Executive Committee and/or the Standing Committees through a report from the Honourable Mayor. The Executive Committee meets once a month basis on to consider matter tabled to it by the Municipal Manager with his management team.

(a) Office of the Municipal Manager

The Office of the Municipal Manager is operating with five middle managers responsible for Operations, Council Support, Communications, Legal services and Internal Audit all reporting the municipal Manager . The section provides direct support to the council.

. (b) Communications and Customer Care

The Communications Unit has made great progress in implementing the Communications Strategy this past year as was adopted by council. Branding on behalf of the institution was on-going. The unit has good media relations programme running, good relations have been maintained with the local media albeit the negative publicity that was generated regarding the institution. The unit has worked hard to ensure that the institution garners positive publicity at every available opportunity – to counter negative press



THE PRESIDENCY
REPUBLIC OF SOUTH AFRICA

PRESIDENTIAL HOTLINE REPORT



2017/2018 FINANCIAL YEAR CUSTOMER CARE CASE LOAD

Incident Number	Status	Detail Description	PLO findings	Recommendations
1. 6767841	Resolved	<p>Caller is complaining about the Alfred Nzo District Municipality, he states that the community has built a community Service Centre hall through the way of getting funding from the private sector and they informed the municipality to assist them by putting electricity in the hall. Caller states that it's been years since they communicated with the municipality but it's failing to assist. Caller request the PHL to assist with getting Electricity for their community Service Centre</p>	<p>It was electrified last year November 2017 and finished this January 2018.</p>	Close the case
2. 18903969	Resolved	<p>Citizen said that in 2015 the community of Mhlanga Administrative Area</p>	<p>Citizen was called but he insisted that he cannot</p>	Case closed

			<p>under the leadership of Headman Mphanjukelwa took a decision to build their own ICT and Library. The purpose was to bring the community together.</p> <p>The community of Mhlanga has just finished building the structure of ICT and the Library, but there are some few challenges for the project, there is no furniture for both the ICT and Library. The community would like to be assisted with:</p> <ul style="list-style-type: none"> • Additional computers, currently there are 15 computers • Wi-Fi for internet connection. • Furniture for both ICT and Library 	<p>communicate with the local the matter is handled by the Presidency Office.</p>	
3.	18443297	Partly resolved	The citizen is complaining that he applied for an RDP	No contact details, ward number, name	Case closed

		<p>house in 2014 at Mbizana office, but he is not yet assisted. When she went to the office the lady who was supposed to assist him was not interested in helping him.</p> <p>He needs PHL to assist.</p>	<p>of a village nor name of the councillor to do further investigation to the case and there is no follow up on the system and it is more than six staying in the system without follow up. Once a complaint stay on the system more than six months, the system kicks it out. Kindly close the case and re-open when the complainant does follow – up.</p>	
4.	18898196	<p>Citizen said that he is an entrepreneur from Bizana, he is currently running a building which is adjacent to the Bizana main taxi</p>	<p>This case is in court, once the case reported to the court, PHLC leave it for the law to take over.</p>	Case closed

		<p>rank and the building is occupied by four tenants. The building was built in the year 2001 the same year he entered into a sale agreement with the Mbizana local municipality in relation to the plot (ERF 258) on which the building is built. Citizen complains that he requested the municipality to extend the plot due to development of the plot will provide more employment the municipality Mbizana council resolved to extend the site. Till to-date his still waiting. Caller requests the Presidency to assist her/him with:</p> <p>Extension of Plot</p> <p>Please see attachment for more information.</p>	Kindly close the case.	
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(c) Legal Services

The legal unit was set up in 2004 with the employment of legal administrative officer. Now this unit has a Legal Advisor and legal clerk. The office deals with all the litigations faced by the municipality with the assistance of legal professionals as some cases are logged at higher courts.

Case Load for 2017/2018 Financial year

The case register is reflected in the Audited Annual Financial Statements

Employees :Office of the Municipal Manager Including SPU					
Level	2016-17	2017-18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	0	0	0	0	
4-6	11	1	11	1	
7-9	1	1	1	1	
10-12	13	7	13	7	
13-15	5	0	5	0	
Total	30	9	30	9	

3.18. Financial Services

Mbizana Local Municipality has established a Budget and Treasury Office in terms of section 80 of the Municipal Finance Management Act. The office is headed by the Chief Financial Officer with three managers directly reporting to him. The three managers are Manager: Supply Chain Management, Manager: Budgeting and Reporting and Manager: Revenue and Expenditure. The structure for the section is depicted below:-

	Post	Vacant or Filled
1.	Chief Financial Officer	Filled
2.	Secretary	Filled
3.	Manager : Supply Chain Management	Filled
4.	Manager : Revenue and Expenditure	Filled
5.	Manager : Budgeting and Reporting	Filled
6.	Asset Management Officer	Filled
7.	Stores Officer	Filled
8.	Supply Chain Management Officer X 2	Both Filled
9.	Asset Management Clerk	Filled
10.	Stores Clerk	Filled
11.	Procurement Clerk	Both Filled
12.	Accountant : Budgeting	Filled
13.	Accountant : Reporting	Filled
14.	Accountant : Billing and Revenue	Vacant
15.	Billing Clerk	Filled
16.	Meter Readers X 2	1 filled one vacant
17.	Revenue Clerk	Filled
18.	Cashiers X 2	Filled

	Post	Vacant or Filled
19.	Accountant : Payroll	Filled
20.	Payroll Clerk	New - vacant
21.	Accountant : General Expenditure	Vacant
22.	Clerk : General Expenditure	Filled
23.	Accountant : Capital Expenditure	Filled
24.	Clerk : Capital Expenditure	Filled

The Budget and Treasury Office is made up of the following sections, all of which are functional and are able to perform at the expected levels:-

- **Revenue Management:** This section is responsible for ensuring that the revenue due to the municipality is collected and accurately accounted for. This includes ensuring that billing for all services and taxes is carried out on a monthly basis.
- **Expenditure Management:** This section is responsible for all expenditure incurred by the municipality and ensuring that all service providers are paid for services rendered and goods supplied.
- **Supply Chain Management:** As detailed in the SCM Section earlier, this section is responsible for demand management, acquisition, logistics and disposals. The supply chain management also has asset management as one component that it is responsible for.
- **Budgeting and Reporting:** This ensures that budgets and adjustment budgets are compiled according to the legislations and approved within the prescribed timeframes, all expenditure is spent within the approved budgets, reporting to the requisite structures at the prescribed timeframes. This section is also responsible for the compilation of the Annual Financial Statements which are part of annual reporting. These have been prepared by our own municipal staff for the 2016/17 and 2017/18 financial years.

Debt recovery						
Details of the types of account raised and recovered	2016-17		2017-18		2018-19	
	Actual for accounts	Proportion of accounts value billed	Actual for accounts	Proportion of accounts value billed	Estimated outturn for	Estimated proportion

	billed in year	that were collected in %	billed in year	that were collected in %	accounts billed	of accounts value billed
Property rates	19 671 934	78%	19 770 109	65%	23 570 590	95%
Electricity	21 929 851	105%	18 341 150	124%	32 076 375	100%
Refuse removal	1 180 170	79%	1 746 138	53%	1 363 654	95%
Other						

Employees :Budget and Treasury					
Level	2016-17	2017-18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies %(As a %of total posts
0-3	2	2	1	1	50%
4-6	12	13	12	1	8%
7-9	0				
10-12	10	10	8	2	20%
13-15	3	3	3	0	0%
Total	27	28	24	4	14%

Financial Performance Year 2017-18:Budget and Treasury					
Details					
	2016-17	2017-18			
	Actual			Actual	

		Original Budget	Adjusted Budget		Variance to the Budget
Total Operational Revenue	- 210 049 429,00	-231,164, 185.00	-235,122, 930	-232 225 542	-2 897 388
Expenditure					
Employees	9 213 995,00	11,103,179.00	10,625,836	8 619 390	2 006 446
Repairs and Maintenance					
Other	61 047 824,00	57 736 363	69 130 699	12 445 805	56 684 894
Total Operating Expenditure	70 261 819,00	68 839 542	79 756 535	21 065 195	58 691 340
Net Operational Expenditure	-139 787 610,00	-162 324 643	155 366 395	211 160 347	55 793 952

3.19. Human Resources and Skills Management

Human Resource department is responsible for providing guidance and support to the employees of Mbizana Municipality. HR staff is involved in addressing issues which impact human resource management for the whole organisation through coordination of policy issues and involvement in labour relations activities. The following was achieved during 2017/18 financial year:

Recruitment and Selection:

Positions on Organisational Structure: 312

Filled positions: 260

Vacant Positions filled during 2017/2018: 62

The HR business Strategy going forward will be to improve the turnaround time for recruitment. To ensure that there is healthy and productive workforce by targeting wellness and performance issues that are negatively affecting the staff.

Skills Development and Training

It is required by legislation that every organisation should conduct skill audit and submit its annual training reports and plan for the past year and the next coming year.

Skill Audit was conducted in consultation with relevant stakeholders to identify skill gaps in Municipality. The training plans and reports were submitted on the 30 April 2017. The following are the programmes implemented:

- 90% of newly employee were inducted;
- 30% of Councillors attended the induction training;
- Policy on Training and development and Bursaries were reviewed;
- 69 students issued with registration assistance;
- 10 students are registered with experiential training with the Municipality;
- Interns employed in the Municipality;
- 40% of Employees trained in the following programmes:
 - Project Management
 - Performance Management System;
 - GRAP Compliance;
 - HIV & AIDS;
 - MSCOA;
 - Shooting range
 - 50% of Councillors were trained on Records Management, LED Strategy, SPLUMA and Climate Change.
 - 31 Ward Committees were trained on basic Computer training;
 - 3 Supervisors registered for CPMD/ MFMP.

3.20. Information and Communication Technology Services

Information technology (IT) has become a vital and integral part in all government spheres in introducing efficiencies and ensuring data integrity. Simply said, the IT section is responsible for providing the infrastructure for automation. It implements the governance for the use of network and operating systems, and it assists the operational units by providing them the functionality they need. The municipality is working towards improving access and also providing ease of access on multiple devices that need to connect to the network. The other consideration is to maximise on continuity solutions to minimise impact in instances or occurrences of disaster. Lastly but not least, the

municipality is also improving the municipal brand and reach through maximum utilisation of web and social media platforms.

a) Municipal Licenses and SLAs

The Municipal Licenses and Service Level Agreements (SLAs) are well monitored to ensure maximum benefit to the municipality. This process includes ensuring that all service related contracts are kept within agreed upon binding terms of contract. Licences are also up-to-date to ensure that they are within support. During the 2017/18 financial year the municipality reviewed and renewed all licences and SLAs that were due in this financial year. This is generally done so on an annual bases to ensure accountability, performance monitoring, and effective support from service providers.

b) Procurement of Hardware

The municipality is mandated by the Government gazette to provide tools of trade for all Councillors serving in the Mbizana Municipality council. The municipality provided all councillors including traditional leaders, laptops, mobile data and cell phones. Small scale project were further done to add more access points and also added central printing devises to improve access to municipal resources.

c) Municipal Website

This website serves as an integral part of Mbizana Local Municipality's communication infrastructure and strategy. It allows easy access to relevant information, serves as a tool for community participation, improves stakeholder involvement and facilitates stakeholder monitoring and evaluation of municipal performance.

Mbizana Local Municipality website is up and running, URL: <http://www.mbizana.gov.za>. Information and Communication Technology is responsible for compliance on the website in terms legislations and laws applicable to municipal websites. Mbizana Local Municipality website was developed in terms of s21 A and B of MSA No. 32 of 2000.

d) Web Content Management

ICT is responsible for uploading compliance documents in terms of s75 of the Municipal Finance Management Act No. 56 of 2003 and all applicable laws of the republic of South Africa. During the 17/18 financial year

e) Functionality and Compliance

Information and Communication Technology section continuously uploads advertisement and compliance documents with an intention to invite public comments. Supply Chain processes from a particular value are all advertised on the website for certain period of time as per the SCM policy. All vacancies are advertised on the website for the benefit of the community of Mbizana and the rest of the interested people. All performance agreements signed by s56 managers also posted on the website. IDP/Budget and process plan, final IDP/Budget and PMS, SDBIP and quarterly reports are posted on the website and they can be accessed at any time.

f) Disaster Recovery

The Municipality adopted a new Disaster Recovery Plan (DRP) and Business Continuity Plan to ensure smooth recovery and very minimum impact when a disaster occurs. The Plan is supported by a Backup and recovery solution that is hosted in a data centre managed by Munsoft \ ITNA and as well as a Replication that is done on site using VEEAM for Hyper-V.

3.19. Human Resources and Skills Management

Human Resource department is responsible for providing guidance and support to the employees of Mbizana Municipality. HR staff is involved in addressing issues which impact human resource management for the whole organisation through coordination of policy issues and involvement in labour relations activities. The following was achieved during 2017/18 financial year:

Recruitment and Selection:

Positions on Organisational Structure: 312

Filled positions: 260

Vacant Positions filled during 2017/2018: 62

The HR business Strategy going forward will be to improve the turnaround time for recruitment. To ensure that there is healthy and productive workforce by targeting wellness and performance issues that are negatively affecting the staff.

Skills Development and Training

It is required by legislation that every organisation should conduct skill audit and submit its annual training reports and plan for the past year and the next coming year.

Skill Audit was conducted in consultation with relevant stakeholders to identify skill gaps in Municipality.

The training plans and reports were submitted on the 30 April 2017. The following are the programmes implemented:

- 90% of newly employee were inducted;
- 30% of Councillors attended the induction training;
- Policy on Training and development and Bursaries were reviewed;
- 69 students issued with registration assistance;
- 10 students are registered with experiential training with the Municipality;
- Interns employed in the Municipality;
- 40% of Employees trained in the following programmes:
 - Project Management
 - Performance Management System;
 - GRAP Compliance;
 - HIV & AIDS;
 - MSCOA;
 - Shooting range
 - 50% of Councillors were trained on Records Management, LED Strategy, SPLUMA and Climate Change.
 - 31 Ward Committees were trained on basic Computer training;
 - 3 Supervisors registered for CPMD/ MFMP.

POLICIES

Information Technology Policies				
	Name of Policy	Completed	Reviewed	Adopted
1	Access Control Policy		yes	Adopted
2	Change Control Policy		yes	Adopted
3	ICT Asset Management Policy		yes	Adopted
4	ICT Governance Charter		yes	Adopted
5	ICT Governance Framework (with ICT Strategy)		yes	Adopted
6	ICT Governance Policy		yes	Adopted
7	ICT Infrastructure Policy		yes	Adopted
8	ICT Security Policy	yes	yes	Adopted
9	ICT Service Management Policy		yes	Adopted
10	Virus and Patch Management		yes	Adopted
11	Business Continuity Plan	yes	yes	Adopted
13	Disaster Recovery Plan	yes	yes	Adopted

3.21. Meetings and Administration and registry services

The main purpose for establishing records management system was to centralise document information in order to manage the inflow and outflow of information. The following has been achieved during the reporting year:

- Renovated registry office by installing registry counter, main-door repartitioning registry, installing blinds.
- Main objective for the aforementioned was to establish registry security controls as enmeshed in EC Provincial Archives and Records Service Act.
- On a daily basis the registry office conducts its daily operations ranging from receipt, sorting, recording and distribution of mail.

- Filing system for correspondences was established and corporate services and Municipal managers department were selected as pilot departments.
- All filing for correspondences and schedules for records other than correspondence files were established and endorsed. This hallmarks the institutionalization of centralization of records to the main registry.
- Respond to PAIA section 14 manual information requests when such a need arises.
- Conducted institutional information audit as a leeway to the facilitation and production of records management programme.
- Consolidated information management tools as prescribed in the National Archives Regulations. These tools are essential for the proper administration of a recordkeeping system.
- Reviewed records policy, procedure manual and file plan aligning them to the ever-changing organizational structuration.
- Established HR mini registry with the aim to separate HR personal files to adhere to POPI
- Procured tools of trade such as open steel shelves, bulk-filing cabinet, shredder, paper-cutter, stepping- stool and blinder.
- Procured filing-boxes and filing files (Z20). It is a legislated pre-requisite to procure this form of tools of trade.
- Conducted workshop for councillors and manages on implemented registry classification systems, at Hluma lodge. Workshop was aimed at introducing and promoting the importance of information management in governmental bodies.
- Presented registry policy in a workshop organized at Wild cost titled “policy workshop”
- Conducted retention and disposal of pre- TLC and TLC records this included organizing, sorting and scheduling this group of records.
- Transferred TLC’S and Pre TLC’S to DSRAC Mthatha archives repository.
- Assisted BTO with retention and disposal schedules of assets, payment voucher, tender documents, and expenditure payment vouchers.
- Submitted to the provincial archivist retention and disposal schedules for approval on these groups of records.

3.22. Employee Health and Well – being

Mbizana Local Municipality is committed to promoting equal opportunities and fair treatment in employment for all its employees, through the elimination of unfair discrimination and integrated wellness programmes and policies. The Municipality has adopted a holistic approach to address social and work related problems through awareness programmes for its employees on the issues of HIV and AIDS, Chronic illnesses, Disability, Occupational Health and Safety as well as Sport and Recreation for its employees.

The section is functional and the following was achieved during the reporting year: Sport Committee is in place and functional directed by Employee Wellness under Corporate Services. It focuses on sporting codes such as soccer, netball and darts. Mbizana Local Municipality has competed with other Municipality on the sporting codes such as soccer, netball and darts. The Municipality has received trophies for all three sporting codes during 2016/17 financial year. Sports took place in the following areas:

- SAIMSA Games held in Mpumalanaga.
- Medical Check-ups organized by TOCH to fulfil Occupational Health and Safety standards
- The Municipality competed with other Local Municipalities under Alfred Nzo District Municipality including Alfred Nzo District Municipality.
- Site inspection conducted
- The awareness programme was conducted, facilitated by a delegate from Department of Labour



COMPONENT I: ORGANISATIONAL SCORE CARD

MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Luvuyo Mahlaka**, in my capacity as the Municipal Manager of Mbizana Local Municipality (EC443), hereby approve the Annual Performance Report for 2017-2018 Financial Year. This Annual Performance

Report is prepared in terms and in compliance with the stipulated requirements as documented in the Local Government: Municipal Finance Management Act No. 56 of 2003, Municipal Systems Act No. 32 of 2000 and Municipal Planning and Performance Management Regulations of 2001.


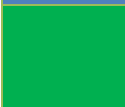


This is the first Annual Performance Report derived from the IDP that was endorsed by Council for the period 2017-2022.








Signed at Bizanaon this... 31st day of August 2018.

MR L. MAHLAKA
MUNICIPAL MANAGER



Colour-coding

	101+%	Performing above the target
	96-100%	No deviation in plans – targets achieved
	67-95%	Minor deviation – targets not achieved
	0-66%	Major deviation – targets not achieved

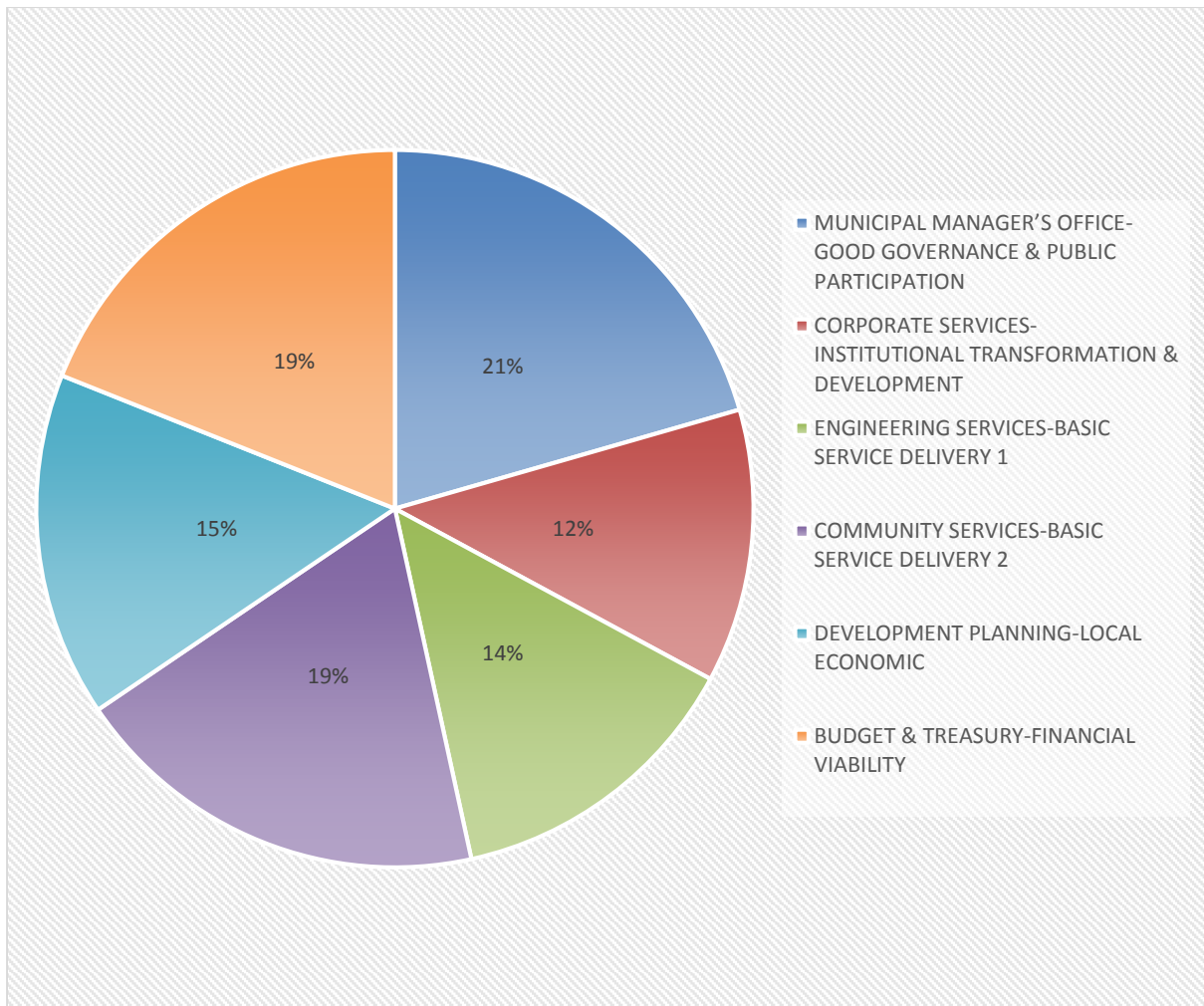
DEPT/KPA	TOTAL NUMBER OF TARGETS	TARGETS REPORTED	TARGETS ACHIEVED	TARGETS NOT ACHIEVED	ACHIEVEMENT PERCENTAGE	PERFORMANCE IMPROVED OR DROPPED COMPARED TO 2016/2017	COLOUR CODING FOR OVERALL PERFORMANCE
MUNICIPAL MANAGER'S OFFICE	20	20	18	02	90%		
CORPORATE SERVICES DEPARTMENT	13	13	07	06	54%		
ENGINEERING SERVICES DEPARTMENT	15	15	09	06	60%		
COMMUNITY SERVICES DEPARTMENT	24	24	20	04	83%		
DEVELOPMENT PLANNING DEPARTMENT	19	19	13	06	68%		
BUDGET & TREASURY OFFICE	18	18	15	03	83%		
OVERALL PERFORMANCE	109	109	82	27	75%		

Department's Performance Graph

Departments Performance Graph



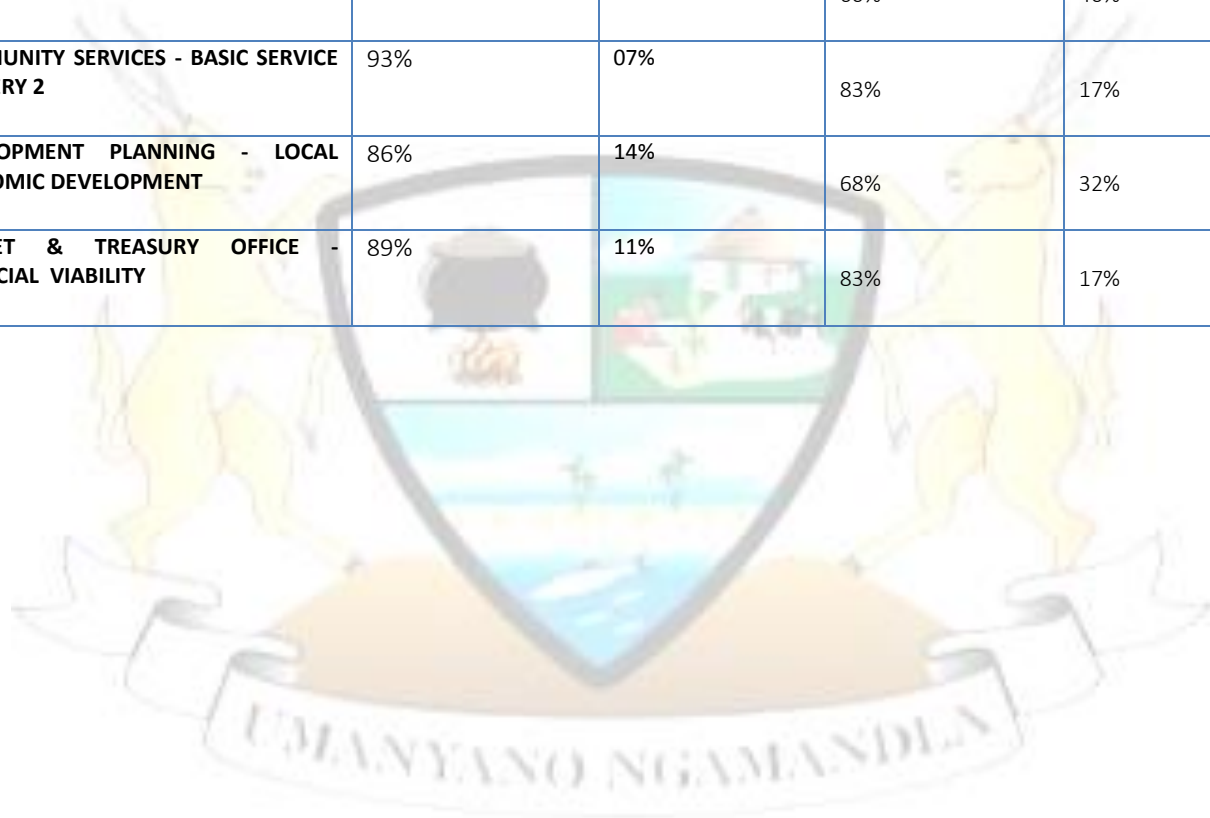
Departments Contribution in the Municipality's Overall Performance



COMPARISONS BETWEEN 2016/2017 AND 2017/2018 FINANCIAL YEARS ANNUAL PERFORMANCE

DEPARTMENTS PERFORMANCE COMPARISON

DEPARTMENT	2016/2017 FY ANNUAL PERFORMANCE ASSESSMENT		2017/2018 FY ANNUAL PERFORMANCE ASSESSMENT	
	ACHIEVED	NOT ACHIEVED	ACHIEVED	NOT ACHIEVED
MUNICIPAL MANAGER'S OFFICE - GOOD GOVERNANCE & PUBLIC PARTICIPATION	73%	27%	90%	10%
CORPORATE SERVICES - INSTITUTIONAL TRANSFORMATION & DEVELOPMENT	80%	20%	54%	46%
ENGINEERING SERVICES - BASIC SERVICE DELIVERY 1	44%	66%	60%	40%
COMMUNITY SERVICES - BASIC SERVICE DELIVERY 2	93%	07%	83%	17%
DEVELOPMENT PLANNING - LOCAL ECONOMIC DEVELOPMENT	86%	14%	68%	32%
BUDGET & TREASURY OFFICE - FINANCIAL VIABILITY	89%	11%	83%	17%



MUNICIPALITY'S OVERALL PERFORMANCE COMPARISON

2016/2017 FINANCIAL YEAR ANNUAL PERFORMANCE					2017/2018 FINANCIAL YEAR ANNUAL PERFORMANCE				
ACHIEVED	NOT ACHIEVED	NOT REPORTED	TOTAL	PERCENTAGE	ACHIEVED	NOT ACHIEVED	NOT REPORTED	TOTAL	PERCENTAGE
99	25	0	122	80%	82	27	0	109	75%

The Municipality's Annual Performance for 2017/2018 Financial Year stands at 75% when compared to the preceding 2016/2017 Financial Year's 80% Annual Performance Assessment Review.

Based on the Analysis of Annual Performance Report, the municipality performance has dropped by 5% in its service delivery mandate when compared to the preceding 2016/2017 financial year.



KPA NO. 1: BASIC SERVICE DELIVERY (ENGINEERING SERVICES)

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
PMU	Improved access to basic services	To facilitate implementation of MIG Funded Projects over the 5 year MTEF period currently ending June 2018	1,1	Completion of the construction stage through monitoring & evaluation of contractors	100 % Expenditure by end May 2016	PMU - Mbiza na LM 2017/2018	% Spending on MIG Allocation specific for the 5 year period from 2017/18 by end June.	1.1	DoRA Reports	61 178 000,00	59 678 000,00	N/A	MIG	100 % expenditure on the allocation	100 % Expenditure	100% Expenditure by end 2018	Got 100% Expenditure by end 2018	59 678 000,00	Achieved	N/A	N/A

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Roads	Improved Access to basic services	To reduce access roads backlog by constructing 40kms by June 2018.	1,2	To construct 40km of gravel access roads by using services of consultants & contractors.	675km in place .	Construction of 40km length of Access Roads	MIG funded construction of 40km length of Access Roads by end June 2018	1. 2. 1	Signed Completion Certificate by Senior Manager	11485624,00	18395909	N/A	MIG	30km of roads completed by June 2017	3.2KM	23,3km	Constructed 11,3km from Mngomazi, (4.5km), Qadu AR (5,0km) and Ngqindilili (1.8km).	16460495,32	Not Achieved	None completion of Nonqulana Monument AR, kwaNdela Bridge and Sigidi-Beach AR which is under planning. Also	We have started construction of Nonqulana AR (8,2km), KwaNdela Bridge + (1km), Sigidi-Beach AR (3,4km).

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																				due to several factors such as late approval of EIA and re-advertisement due to non-compliance of	Nonkulana Monument AR and kwaNdelabridge will be completed in 18/19 FY. Sigidi-Beach AR is on planni

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																				service providers in bid processes. Sigidi-Beach AR is on planning stage.	ng stage.

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		To reduce access roads backlog by constructing 30kms by June 2018,		To complete construction of 30km of gravel access roads by using services of the appointed consultants	675km in place .	Construction completion of 30km length of Access Roads from 2016/2017	MIG funded construction of 30km length of Access Roads by 2017/18	1. Signed 2. Completion Certificate by Senior Manager		8050000	17340297	N/A	MIG	30km of roads completed by June 2017	31km	27,3km	Constructed 23,6km from Esimnyame ni-Mkhambat hi AR (9,5km), Tanki ni-Mdibi AR (1,6km), Marina-	12893442,72	Not Achieved	None completion of Mkhu ngo-Nkunzi AR due to storm water damage on the Low level crossing. The total length	The completion of Mkhu ngo-Nkunzi AR and low level crossing. The Consultant has instructed the Contractor

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Outcome 9 Objective			Improved Access to Basic Services																		
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				& contractors from 2017/2018													Voting station AR (2,4km), Zindleleni via Groundini AR (10,1km)			h of the road is 4,1km and the actual road length is completed. The project could not be handed over due	to complete the project in 18/19 FY.

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																					to damaged low level crossing of which the service providers are dealing with the matter.

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Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Roads	Improved Access to basic services	To reduce access roads backlog by constructing 1.5kms by June 2018	1,3	To construct 1.5km of gravel access roads by using services of consultants & contractor s.	10km in place in the CBD	Construction of 1,5km length of Tarred Access Roads	MIG funded construction of 1,5km length of Tarred Access Roads by 2017/18	1.3.1	Signed Completion Certificate by Senior Manager	400,000	9112589	N/A	MIG	N/A	N/A	1.5km (Design, tender, Construction and Close out report)	1,5km design completed, Service Providers appointed, the project is currently under construction and at base coarse	6378544,91	Not Achieved	Delays with completion of Surfacing of Bizana Internal streets Phase 1 due to water pipe network which does	The project revised programme indicates completion of the project during 1st Quarter of 18/19 FY. Materials

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																	layer. Also busy with storm water drainage.			not have asbuilt drawings as a result challenges to works progress.	have been sourced.

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Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Buildings	Improved Access to basic services	To construct 1 Multi-Purpose Town in Bizana by end June 2018.	1.4	To construct 1 Multi-Purpose Town by using services of consultants & contractors.	Youth Centre Hall	Mbiza na Town Hall in Ward-1	MIG funded construction start of 1 Multi-by 2017/18	1.4.1	Consultant & contractor appointment	7502347,60	8511687	N/A	MIG	N/A	N/A	Planning, Design & Contractor Appointment for the Town hall, Excavation for Platform Preparations.	Contractor appointment achieved and service provider in process of site establishment.	5418170,93	Not Achieved	There were challenges in appointment of contractors due to unresponsive bidders.	The contractor is appointed and the site is handed over to the Contractor. The Contractor has started with site establ

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																						
Outcome 9 Objective			Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action	
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance				
																						ishment. nt. Also the project is phased therefore intended to be completed in three years.

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Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Buildings	Improved Access to basic services	To construct 4 community halls from 2016/17 financial year by end June 2018	1.4	To construct 4 community halls by using services of consultants & contractors.	28 community halls in place by end May 2017	Construction completion of 4 community halls from 2016/2014	MIG funded construction completion of 4 community halls from 2016/2017 financial year by end June 2017/2018	1.4.2	Signed Completion Certificate by Senior Manager	4521128,40	4881626	N/A	MIG	Completion of 3 Community Halls from 2015/16 Financial year by June 2017	1 community hall was completed (Ward 17 Community Hall)	Construction and completion of 4 Community Halls	Construction of 4 community halls completed. And 4 ablution facilities completed.	4881626,00	Achieved	N/A	N/A

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Improved Access to basic services	To construct 5 Early Childhood Development Centres (ECDC) in the villages of Bizana by end June 2018	1,5	To construct 5 Early Childhood Development Centres (ECD C) by using services of consultants & contractors.	None	Construction completion of 5 Early Childhood Development Centres (ECDC)	MIG funded construction completion of 5 Early Childhood Development Centres by end June 2018	1.5.1	Signed Completion Certificate by Senior Manager	105600,00	11686812,4	N/A	MIG	N/A	N/A	Construction and Completion of 4 Early Childhood Development Centres (ECD C)	Ward 8 ECDC is 87% complete to complete fencing and ablution facilities. Ward 15 ECDC is complete contractor	8413001,58	Not Achieved	Slow progress on site by contractors and there was period where contractors had to de-establish due to	To equate costs for Ward 16 and ward 14 of the 5 ECDC' s to the adopted standard design costs. And

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																	currently busy with snags. Ward 16 ECDC is 78% complete, outstanding Works its doors, windows, floor & roof finishes,			late MIG registration .	intensify every day monitoring and evaluation of progress so as to complete the targeted 4 ECDC's.

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																		ablutions and fencing. Ward 20 is 81% complete to finalise roofing, finishes and ablution facilities.			

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Sports Fields	Improved Access to basic services	To provide access to sporting facilities for the community by June 2018	1.7	To construct Phase -1 Mphuthumi Mafumbatha Sport field by using services of consultants & contractors.	Only 1 under developed sport ground in the CBD	Mphuthumi Mafumbatha Sport Field	Completed construction of phase 1 of Mafumbatha stadium.	1.7.1	Signed Completion Certificate by Senior Manager	12 000 000,00	1200 0000	N/A	MI G	Designs Completed	Designs have been completed	Start of Construction for Phase -1, Excavations for platform.	Contractor has commenced with excavations for platform construction.	12 000 000,00	Achieved	N/A	N/A

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Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
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Roads	Pothole Patching	To routinely maintain in a better standard of our CBD Roads by June 2018	1.8	Appointment of service providers to maintain CBD Roads	450 m ² potholes patched	CBD Maintenance	Completed 150m ² of pothole patching	1.8.1	Signed Completion Certificate by Senior Manager	75 000,000	1230 000	Equitable Share	N/A	150m ² of pothole patching by June 2017	1265.44 m ² of pothole patching done	150m ² potholes patched	150m ² potholes patched	1 230 000,00	Achieved	N/A	N/A
Roads	Roads Rehabilitation	28,9 km of Gravel Access roads rehabilitated by	1.9	Appointment of service providers and	200km rehabilitation	Nyanisweni to KwaMabuzi Access roads -	Completed Construction of 8,9km of rehabi	1.9.1	Signed Completion Certificate by Senior Manager, ENa	8 300 000,400	7842 049	Equitable Share	N/A	20kms of Access roads to be maintained by the end of	16.15 km of access roads were maintained by June 2017	28,9km Rehabilitation, Purchase 1-Grad	37,63 km Rehabilitated, Purchase 1-Grade	7 842 049,00	Achieved	N/A	N/A

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		June 2018.		using the machinery to be acquired to maintain roads		8,9kms to be rehabilitated by the end of June 2018+ Acquisition of Municipal Plant Machinery	litatio n of gravel access roads and acquired municipal plant machinery.		ttis Registr ation documents					June 2017		er, 1-Roller , 1-Water cart	r, 1-Roller, 1-Water cart				

KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Electricity	Insufficient capacity to town.	Ensure that there is enough capacity for the fast developing town of Bizana .	1.10	Construction and energising of a 5 Mva backbone line.	3Mva capacity available to town .	Construction of a 5 Mva line.	Increased capacity to town and connection of new businesses.	1.10	Signed Completion Certificate by Senior Manager	5000,000	481668	N/A	CoGT A funding	N/A	N/A	Designs for 5 Mva line	Designs completed for 8 Mva line. Variance to capacity is due to population increment and new developments.	424949,20	Achieved	N/A	N/A

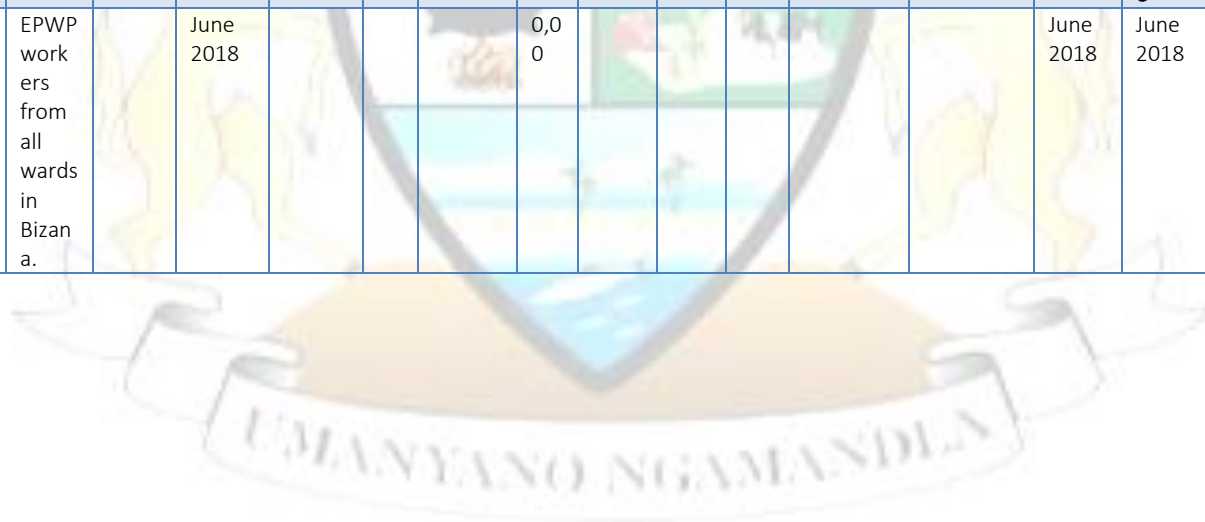
KPA NO.1 : BASIC SERVICE DELIVERY (ENGINEERING SERVICES)																					
Outcome 9 Objective			Improved Access to Basic Services																		
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Original Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Electricity	Compliance with service regulatory prescriptions	Ensure reliable provision of electricity to the residents and businesses of the municipality	1.14	Compliance with service regulatory prescriptions	Current approved tariffs and renewed license.	Renew license and review tariffs	Distribution license renewed and approved tariffs.	1.14	NERSA approved electricity tariffs and distribution licence	-	0	N/A	N/A	N/A	N/A	Renewed license and approved tariffs	Distribution license is renewed and tariffs approved.	-	Achieved	N/A	N/A

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Outcome 9 Objective			Improved Access to Basic Services																		
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Electricity	Infrastucture bulk service not available and Infills and new extensions not addressed.	Ensure reliable provision of electricity to the rural community of Bizana .	1.15	Facilitate the bulk infrastucture supply and connections to rural households	39 186 households with electricity	2209 h/h to be connected. Mpets -520, Qung b/Lud k 135, Ludek ext 150, Mpis 250, Jam 244, Monti /Ntlozelo 883, Reten	Number of households connected and reduced electricity backlog.	1.15	Signed Completion Certificate by Senior Manager	25 829 840,00	36 118 510,00	N/A	CoGT A funding INEP	2586 households to be connected at Monti/Ntlozelo, Mpindweni, Gumzana , Mqonjwana/Lugwiji by June 2017	417 Houses Connected at Gumzana . 350 houses completed in Monti/Ntlozelo waiting for Eskom to Energize, Mqonjwana/Lungwiji still under construction	2209 h/h to be connected . Mpet s-520, Qung b/Lud k 135, Ludek ext 150, Mpis 250, Jam 244, Retention for	The following villages Mpets -520, Qung b/Lud k 135, Ludek ext 150, Mpis 250, Jam 244, are energised and retent	46 313 817,32	Not Achieved	Due to poor performance of the service providers the Municipality terminated services of service providers.	The project will be re-advised for tender to complete the outstanding 907h/h. The project is planned to be compl

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						tion for Gudlintaba and Mpindweni village 27.										Gudlintaba and Mpindweni village 27.	ion for Gudlintaba and Mpindweni village are released energised 436h/h vs 1299h/h.		The project will be re-advertised and the 907h/h will be completed in 18/19 FY.	eted in 18/19 FY.	

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Electricity	Infrastucture bulk service not available and Infills and new extensions not addressed.	Ensure reliable provision of electricity to the rural community of Bizana .	1.15	Facilitate the bulk infrastucture supply and connections to rural households	39 186 households with electricity	32KM of MV line constructed by June 2018	Complete and energised 32 KM MV link line in Monti /Ntlozelo	1.15.2	Signed Completion Certificate by Senior Manager	9556515,18	5178723	N/A	INEP	N/A	N/A	32 KM of MV line constructed	The 32km MV line is constructed and energised	9078679,42	Achieved	N/A	N/A
EPWP	Non Employment	By providing 175 EPWP jobs	1.19	Facilitate recruitment of	106 Jobs Created	175 Jobs created by	Number of Jobs Created	1.19.1	Employment Contracts	170000	170000	N/A	EPWP	N/A	N/A	175 jobs created by	175 jobs created by	1700000,00	Achieved	N/A	N/A

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		by 2018		EPWP workers from all wards in Bizana.		June 2018				0,00						June 2018	June 2018				



KPA NO. 1 BASIC SERVICE DELIVERY - COMMUNITY SERVICES

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
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Free Basic Services	High number of indigent households	To ensure subsidization of poor households in order to receive basic service by 2018	1.20	By providing 2000 beneficiaries with free grid electricity, 4500 with FBAE.	Subsidize 1470 beneficiaries with grid electricity. Subsidize 4300 beneficiaries with FBAE. Subsidized 180 with Refuse bins.	Subsidize grid electricity ,FBAE	Number of beneficiaries receiving free basic services subsidy.	1.20.1	Beneficiary lists and invoices	8 829 312.00	6 670 656;00	Yes	n/a	Subsidize 1600 beneficiaries with grid electricity. Subsidize 4500 beneficiaries with FBAE	Subsidized 1744 beneficiaries with grid electricity and 4554 with FBAE	Subsidize 1700 grid electricity, 4500 FBAE	Subsidized 1888 beneficiaries with grid electricity and 4554 with FBAE	R 4 118 834.31	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Inconsistent indigent register	To ensure subsidization of poor households in order to receive basic service by 2018	1.20	By facilitating process of application for review of indigent register	Adopted credible Indigent register	Annual Review and implementation of council approved indigent register	One Reviewed credible indigent register	1.20.2	Council resolution; indigent register and Payment schedules.	500 004	1 484 004.00	Yes	n/a	Reviewed indigent register by June 2017	Indigent register reviewed and adopted by council on the 28 June 2017.	Adoption and implementation of Council reviewed Indigent register and Conduct 2 community indigent awareness campaigns	Reviewed Indigent register with additional beneficiaries	R 1 676 125.00	Not achieved	Could n't fairly collect data and verify collected data from all Wards on time due to delays in appointment of Service provider	Indigent register completed by September 2018.

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																				er to assist the process.	
	Lack of Systematic approach in responding to disasters	To establish a uniform approach in monitoring disaster risks by 2018	1.21	By Implementing Council approved disaster management plan	Council approved disaster management plan	Record disaster management incidents and respond within 24hrs	Number of incidents recorded and respond to within 24 hrs.	1.21.1	Disaster incidence register and attendance register/response register	727 644.00		Yes	n/a	Conduct 2 disaster awareness campaigns by June 2017	3 awareness campaigns conducted on the 02 March 2017 @ Ward 29 (Zwelethu Village) and on the 01 March 2017 @ Ward 10 (Phumelele J.	Conduct 24 risk assessments and respond to recorded disaster incidents. To conduct 4 awareness	Conducted 53 risk assessments and responded to recorded disaster incidents. Conducted 4 awareness campaigns AT Xholebeni ward 25 on the 06 September 2017, on the 08 November 2017 at Mkhandlwen	464 840.00	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)

Outcome 9 Objective		Improved Access to Basic Services																			
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															Mhlanti Community Hall and on the 25 May 2017 @ Ward 23 (Wild Coast Sun).	campaigns.	i village ward 02,on the 08 March 2018 at Ndlovumile Village ward 16 and on the 08 June 2018 at M.P.Y.C Ward 1.				

Parks; Cemetery and Municipal facilities.	Irregular management of Parks, cemeteries and other recreational facilities	To provide sustainable recreation facilities to the communities by 2018	1.22	By maintaining and safeguarding of cemeteries and recreational facilities and municipal sites.	Safeguarding 1g 1 cemetery and maintaining 41 recreational facilities	Maintenance of 1 cemetery, 4 heritage sites, 1 park, 4 municipal sites, 32 community halls, 09 sport fields and town open spaces.	Number of recreational facilities maintained	1.22.1	Checklist for maintenance of facilities.	909 832.00	1 093 829,00	Yes	n/a	27 recreational facilities operated, managed and maintained	Operated and Managed 27 recreational facilities at Ngcingo, Lukhola, Greenville, PJ Mhlanti, Nkantolo, Sithukuthezi, Mampingeni, Mbuthweni, KuBha, Ngcingo, Mt Zion, Etyeni, Dudume ni, Meje, MPYC, Lingeleni, Monti, Ngqindilili, Mzamba, Lukhola, Phumelele J, Cultural Village,	Maintenance of 1 cemetery, 4 heritage sites, 1 park, 4 municipal sites, 32 community halls, 09 sport fields and CBD open spaces.	390 077,87	Achieved	Nil	Nil

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Library services	High rate of illiteracy	To facilitate provision of library services to Mbizana Community by 2018	1.23	By instilling a culture of reading and lifelong learning and upgrading the existing libraries.	Conduct 4 library awareness campaigns, installed and operational Wi-Fi for 1 Mbizana Library, signage	Conduct 5 library awareness campaigns, Provision of Library equipment and system to 3 Libraries.	Number of Library Awareness campaigns conducted, Operational library system.	1.23.1	Attendance registers, Awareness campaign reports and Completion certificates.	855 476.00	0	Yes	n/a	Conduct 4 library awareness campaigns by June 2017	4 awareness campaigns conducted on the 23 August 2016 @ Mbizana Public Library, on the 21 September 2016 @ Nkantolo, on the 12 December 2016 @ Youth Centre,	Conduct 5 awareness library campaigns, provision of library equipment and system.	Conducted 5 awareness library campaigns at M.P.Y.C Ward 1 on the 2908/17,Mbizana Community Park on the 12/12/2017, M.PY.C Ward 1 on the 27/02/18,Ebenezer on the 23/05/2018 and at Mbizana Public Library on the 08/06/2018. Provided	1168 7949,07	Achieved	Nil	Nil

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															on the 8 March 2017 @ Youth Centre and on the 3 May 2017 @ Zikhuba community Hall.		library system.				

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Environmental Management	Inadequate legal environmental tools and required continuous maintenance of facilities	To ensure conservation and management of natural resources for sustainable use by 2018	1.24	By developing Environmental Management tools and conduct awareness campaigns	Developed Climate Change strategy and Environmental Status Report; cleaning of 5 beaches, 2 pilot blue flag	Development of EMF and conduct 2 awareness campaigns and facilitation and monitoring of maintenance of beach facilities	Adopted EMF and number of awareness campaigns number of beaches maintained and provided with beach	1.24.1	Council resolution, attendance registers & reports	399340.00		Yes	n/a	2 environmental awareness campaigns conducted	2 awareness campaigns conducted on the 23 March 2017 @ Youth Centre and on the 7 September 2016 @ Phandul wazi SPS.	Approval of 1 EMF. To Conduct 2 awareness campaigns. Facilitation and monitoring of maintenance of 5 beaches and authorisation of	Developed 1 EMF. Conducted 2 awareness campaigns at M.P.Y.C. on the 28 March 2018 and Wild Coast Sun on the 29&31 May 2018. Facilitated and monitored maintenance of 5 beaches. Authorisation for a blue flag was not granted.	172410,36	Not achieved	EMF not adopted due to legal issues	To adopt during 1st quarter

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					beaches		h facilities.									one beach facility.					

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Inadequate legal environmental tools and required continuous maintenance of facilities	To ensure conservation and management of natural resources for sustainable use by 2018	1.24	By developing Environmental Management tools and conduct awareness campaigns	Developed Climate Change strategy and Environmental Status Report; cleaning of 5 beaches, 2 pilot blue flag	Maintenance of beach facilities; Application for Blue flag status; Facilitate Boat Launching site establishment.	Number of beaches maintained and provided with beach facilities; Number of applications for authorisation	1.24.2	Completion certificate and 1 response to application for authorisation of 1 beach facility	399 996.00	6293 44	Yes	n/a	N/A	N/A	Provision of signage for 2 beaches and 1 application for authorisation of 1 beach facility . 1 application for Blue Flag Status . Supply of 10	Provided signage for 2 beaches. 2 applications for Blue Flag Status. Supply of 10 waste bins in 2 beaches. Authorisation for a blue flag was not granted.	79 800	Not achieved	Boat launching authorisation not received due to none responsiveness of bidders to 2 advertisements that were done	To head hunt consultants to render required services.

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					beaches		tion submitted.									waste bins in 2 beaches; 1 boat launch site established.					

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	Poor provision of measures to remediate contaminated land.	To collect, manage and dispose waste in an acceptable and responsible manner by 2018	1.25	By Remediating land where contamination presents a significant risk of harm to health of the environment.	5 routine rehabilitation done	12 routine rehabilitation of extension 3 dumping site by June 2018; Compilation of ext. 3 dumping site financial projection report .	Number of Routine for rehabilitation of EXT3 dumping site; Number of financial projection reports.	1.25.1	Completion Certificates on rehabilitation of extension 3 dumping site and Report on Ext 3 dumping site financial projection.	1 076 256.00	0	Internal	n/a	6 routine rehabilitation of extension 3 by June 2017	10 routine rehabilitation done In Ext 3.	12 routine rehabilitation of extension 3 dumping site by June 2018; Compilation of ext. 3 dumping site financial projection report .	11 routine rehabilitation of extension 3 dumping site done by June 2018; Compilation of ext. 3 dumping site financial projection report has not been done	348 333,33	Not Achieved	Report for EXT 3 dumping site financials could not be done as no bidders responded to the tender.	Appointment of the consultants to do the report.

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	Poor provision of measures to remediate contaminated land.	To collect, manage and dispose waste in an acceptable and responsible manner by 2018	1.25	By Remediating land where contamination presents a significant risk of harm to health of the environment.	5 routing rehabilitation done	Responses of removal of Environmental obstacles by June 2018	Environment free of life threatening obstacles.	1.25	Registers of responses to complaints	60000	281256; 00	N/A	Yes	Remove all environmental threatening obstructions in a very efficient manner during the year within 24 hours	43 recorded complaints attended to at Spar Rank, Ward 13, Ext 4, Mrs Ndimeni, Bus Rank, Ntshebe, Checkout, Ext 3, KFC, St Patricks Hospital, Ext 3, Ext 2, Ext 4, Ms Ganga, Ext 1,	24 response to complaints	113 reported and recorded complaints attended to.	146400.00	Achieved	Nil	Nil

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															Tshayingca, Mr Mbhoyi, Erf 33, Nozuko Restaurant, Paul Building, Rhino, 66 Main street, 88 Main Street, R61 Amanikhwe, Central Butchery , Mabhud e Flats, Mr Ndabisa, Ndamase Building,						

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
															Mr Zeka, Ext 1, Lopse, Methodist Church, Highland View, Hope Street, Erf 99, Ward 8, R61,						

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Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Poor provision of measures to remediate contaminated land.	To collect, manage and dispose waste in an acceptable and responsible manner by 2018	1.25	By conducting waste management awareness campaigns, supporting waste minimization programs and providing equipment	Conducted 3 waste management awareness campaigns & supported 2 recycling co-operatives	Conduct 3 waste management awareness campaigns and support 2 recycling co-operatives, EPWP training, provide waste receipt	Number of campaigns conducted, recycling programmes supported and equipment provided, number of traini	1.253	Attendance registers; reports and delivery notes.	485 256.00	370 000.00	Internal	n/a	Conduct 3 waste management awareness campaigns by June 2017	4 awareness campaigns conducted on the 09 June 2017 @ Full Gospel Church, on the 13 March 2107 @ Youth Centre, 18 November 2016 @ Cultural Village & on the	Conduct 3 awareness campaigns and support 2 recycling co-operative;	3 awareness campaigns conducted, one on the 31 July 2018 @ Ward 06, second one on the 07 November 2017 @ Multi-Purpose Youth Centre, and last one on the 27 April 2018 @ Multi-Purpose Youth Centre and supported two recycling cooperatives with	188 500.00	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						acles and landscaping material.	ngs conducted, waste receptacles and landscaping material provided.								18 July 2016 @ Cultural village.			protective equipment.			

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Poor provision of measures to remediate contaminated land.	To collect, manage and dispose waste in an acceptable and responsible manner by 2018	1.25	By conducting waste management awareness campaigns ,supporting waste minimization programs and providing equipment	Conducted 3 waste management awareness campaigns & supported 2 recycling cooperatives	Provide protective clothing; waste removal equipment and materials, EPWP training,	Number of bags, rakes and brooms supplied. Number of employees receiving protective clothing	1.254	Delivery notes, invoices and register	1 080 984.00	1 942 984,00	Yes	n/a	300 000 bags supplied, 100 bins, 500 rakes	300 000 bags, 120 bins, 500 rakes were acquired.	300 000 bags Supplied ,100 bins ,500 rakes ,100 brooms and supply 132 beneficiaries with protective clothing and EPWP	320 000 bags Supplied ,100 bins ,500 rakes and supply 176 beneficiaries with protective clothing and EPWP training	1 027 089,56	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				and capacity building.												training					

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Security Services	Vulnerability of municipal properties due to vandalism.	To ensure all Municipal key points, assets and resources are safe by June 2018.	1.26	Visibility of Security personnel, Availability of required equipment.	43 private security personnel. Main building and DLTC with installed cameras.	Provision of security services to all 13 Municipal Sites.	Number of security personnel acquired from private security Service provider.	1.26.1	Signed SLA and Attendance register;	464 625 6		Yes	n/a	Provision of security services to all Municipal site by June 2017. Payment of security service provider	Payment and provision for 43 private security personnel available for night, weekends and public holidays (non-accumulative	Acquisition of private security service provider	Provision for 43 private security personnel available for night, weekends and public holidays (non-accumulative	R 6 563 580,38	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Traffic Services	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1.27	By ensuring General law enforcement and improve road signage	2049 Traffic fines issued 19 road blocks conducted and 88 cases of by law enforcement	Issuing of 2100 traffic fines and 20 road blocks conducted	Number of traffic fines issued and no of road conducted.	1.27.1	Ticket issued ,monthly reports and road block authorisation from SAPS	420 000	0	Yes	n/a	N/A	N/A	2100 traffic fines and 20 road block conducted.	Issuing of 2277 traffic fines and 21 road blocks conducted on the following dates:31/08/2017@Qotyana bus stop,14/09/2017@Mzamba bus stop,13/09/2017@Ntsingizi bus stop,30/11/2017@Masimini bus stop,20/12/2017@Masimini Junction,21/12/2017 Opposite	N/A	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																						
Outcome 9 Objective		Improved Access to Basic Services																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action	
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance				
																		Mzamba Police Station,29/12/2017@Mp etshwa bus stop,21/03/2018@Ludeke bus stop,22/03/2018@Ntsingizi bus stop29/0/2018@Masimini bus stop,31/03/2018@Nyanisweni bus stop,21/04/2018@Ntsingizi bus stop,27/04/2018@Nomlacu bus stop,01/05/2018@Waysid				

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																		e bus stop,15/06/2018@Nomlaku bus stop,19/06/2018@Shuze bus stop,21/06/2017@Swane bus stop,25/06/2018@Bulala bus stop,27/06/2018@Shuze bus stop,28/06/2018@Ntsingizi bus stop and 29/06/2018 @ Lukholo bus stop.			

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1.27	By ensuring General law enforcement, provision of resources and improve road signage	43 personnel receiving protective clothing	Acquisition of protective clothing for 48 employees and acquisition of equipment.	Number of employees receiving protective clothing.	1.27.2	Signed Acknowledgment of receipt register and register of equipment.	399 996.00	3 999 96.00	Yes	n/a	41 employees receiving security protective clothing	41 employees receiving protective clothing.	Supply of protective clothing to 48 employees and acquisition of equipment.	Protective clothing for 48 employees has been issued and distribution of security equipment has been done.	R 119 000,00 for protective clothing and R136 000,00 for acquisition of security equipment.	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1.27	By ensuring General law enforcement and improve road signage	Functional CCTV cameras, robots and calibration of machinery.	Maintenance of robots ,cctv camera and calibration of machines and road marking machine.	Number of robots ,CCTV camera and calibration of machines	1.27.2	Completion certificate 1	199 000.00		yes	n/a	N/A	N/A	Maintenance and calibration of robots , CCTV cameras and machines	Robots, CCTV cameras and machines has been maintained.	R181 290,60 for maintenance of CCTV Cameras, R102 552,50 maintenance of Robot s calibration of machines	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1.27	By installing road signs and drawing of visible road markings.	Erection of 4 traffic signs and 11 kilometres of road markings and providing resources.	Erection of 8 road signs and renewal of 22 kilometres of road markings.	Number of traffic signs erected and kilometres of road markings renewed. 1 parking system in the CBD.	1.27.3	Pictures and monthly reports.	373116		yes	n/a	Renewal of road markings		8 traffic signs erected and 22 kilometres of road markings renewed. Operational parking meter system in the CBD.	Erected 8Traffic signs and renewals 22 kilometres of road markings	R123786.00	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Driving Licence Testing Centre	Road users disobey rules of the road that contribute to road carnages.	To ensure consistent safety of road users and improve by law enforcement by 2018	1,27	By facilitating registration & licensing of motor vehicle	600 of registration and licensing of motor vehicles	registration and licensing of 1500 of vehicles	Number of registrations	1.274	List of registered and licensed motor vehicles from Natis system (RD 323)	420 000		yes	n/a	1000 Registration and Licensing of motor vehicles issued,	5445 vehicles were registered and licensed.	Registration and licensing of 1500 vehicles	5699 vehicles were registered and licensed.	N/A	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1,27	By facilitating process of application of learners license, driving license and PrDPs	1500 learners license, 480 driving license and 25 PrDPs	2000Learners license, 2000driving license and 100 PrDP's issued	Number of learners license, driving license and PrDP's issued	1.275	List of learner license, driving license and PrDP's from Natis system (RD323)	2000000		yes	n/a	2000Learners license, 2000Driving license and 100 PrDPs	2541 learner's licences, 2620 driving licences and 778 PrDPs were issued.	2000learners license, 2000driving license and 100 PrDPs	2260 learners' license, 3218 driving license and 1043 PrDPs were issued.	N/A	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Road users disobey rules of the road that contribute to road carnages.	To ensure consistency of road users and improve by law enforcement by 2018	1.27	By facilitating process of application of learners licence, driving licence, PrDPs	1500 learners licence, 480 driving licence and 25 PrDPs and supply of DLTC Stationery	Supply of DLTC Stationery	Value of stationery purchased.	1.27.6		441 000.00	607020	yes	n/a	N/A	N/A	Supply of DLTC Stationery and security and law enforcement consumables.	DLTC Stationery, security and law enforcement consumables has been supplied/ delivered.	R 149 995,00	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Lack of community educational awareness campaign regarding safety	To ensure consistency of road users and improve by-law enforcement by 2018	1.27	By Facilitating community education programs	4 Community safety awareness campaigns conducted	4 Community Safety Awareness campaign	Number of community safety awareness campaigns conducted	1.27	Attendance register and awareness campaign report	378 000	458 000.00	yes	n/a	By facilitating community education programs	04 Awareness campaign were conducted on the following dates: 01/12/2016@ Cultural Village sport field, 16/12/2016 @ Intsingizi Bus Halt, 7/04/2017 @ cultural village sport field	4 awareness campaign	4 awareness campaigns has been done on the following dates:30th November 2017 @Cultural Village Sport Field,20 December 2017 @ R61 Emasimini Junction,22 March 2018 @ Youth Centre and 15 May 2018 @ Nomlacu..	R 304 280,00	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Pound	Uncontrolled stray animals	Control of stray animals, CBD and public roads by 2018	1.28	By constructing feedlot	Completed animal pound.	Feedlot establishment	Completed construction of pound.	1.28.2	Completion certificate.	61584		yes	n/a	N/A	N/A	Establishment of feedlot.	Establishment of feedlot has been done.	R 49 620,00	Achieved	Nil	Nil
	Uncontrolled stray animals	Control of stray animals, CBD and public roads by 2018	1.28	By facilitating daily pound operations.	No provision for remedies and feed	Purchase of feed and remedies	Value of feed bales and remedies purchased.	1.28.3	Invoice and appointment letter.	61584	156 584.00	yes	n/a	N/A	N/A	Acquisitions of feed bales and remedies	Acquisition of feed bales and remedies has been done.	R 157 885,30	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Uncontrolled stray animals	Control of stray animals, CBD and public roads by 2018	1,28	By keeping stray and trespassing animals off road and properties.	Completed animal pound.	Collection of trespassing and stray animals	Number of animals impounded	1.284	Signed list of impounded animals, pound.	360 000	1000 00	yes	n/a	100% of stray animals impounded	58 animals impounded which were: 01 Black Horse, 01 Red Horse, 03 Cows, 19 Goats, 07 Cows, 10 ewe goats, 04 Ewe goats, 10 deasts, 03 oxen, 03 horses, 04 bulls, 04	76 animals impounded	177 animals impounded	N/A	Achieved	Nil	Nil

KPA NO.1 : BASIC SERVICE DELIVERY (COMMUNITY SERVICE)																					
Outcome 9 Objective		Improved Access to Basic Services																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
															Bullock cuckone.						
	Uncontrolled stray animals	Control of stray animals, CBD and public roads by 2019	1,28	By keeping stray and trespassing animals off road and properties.	Completed animal pound. No transport to ferry animals to the Pound.	Facilitation of the purchase of two Vehicles and pound equipment.	Number of Vehicles purchased.	1.285	Specifications / Delivery Notes / Asset Register	800 000	1 385 000.00	yes	n/a	N/A	N/A	Acquisition of 2 Vehicles. 1 energy generator and Pound equipment	Acquisition of 2 Vehicles. 1 energy generator and Pound equipment has been done.	R1 690 500,00 for 2 vehicles and R 300 000,00 for 1 energy Generator	Achieved	Nil	Nil

KPA NO 2: INSTITUTIONAL DEVELOPMENT AND TRANSFORMATION

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Employee Wellness	Low Staff Moral	To ensure that Employee Welln ess is effective by 30 June 2018	2.1	By developing and implementing Employee Wellnes s Programmes.		Medical Check-ups, 4 Sport & Recreation Programmes and Inspection conducted. Celebration of Wellne ss days.	Number of team buildings conducted; Number of referrals for Medical check -ups; Number of sport & Recreation condu cted and the	2. 2. 1	Attendanc e Register/C oncept documents /Departme ntal reports.	650 000	20 000	Internal		12 Institutional Policie s review ed and 4 new Policie s devel oped	36 HR & ICT Policie s review ed and 8 new policie s devel oped	40 Emplo yees referre d for medic al check-up; 2 Sport & Recrea tion condu cted, 1 Inspec tion condu cted. Celebr ation of Wellne ss	100 emplo yees were referre d for medic al check-ups. Two sport & Recrea tion were condu cted. One OHS inspec tion was condu cted.	200 000	Not Ach iev ed	Lack of budge t	Well ness prog ram me cele brati on will be done in the next finan cial year

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
							Number of Inspection conducted. Number of wellness days celebrations .										programmes.	Wellness programme celebration was not done.			

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Review Of Institutional Policies	Non alignment with amended legislation.	Review and development of Institutional policies	2.2	By reviewing existing Policies and Developing new critical Policies	Institutional Policies reviewed and new Policies developed	Compilation of Policy inputs, draft Policies and present it to relevant stakeholders; To conduct workshop to employees; Development of scarce skills strateg	Number of Policies reviewed and developed	2.2.1	Departmental Report, copy of draft policies, Attendance register	700 000		Internal		12 Institutional Policies reviewed and 4 new Policies developed	36 HR & ICT Policies reviewed and 8 new policies developed	Compilation of Policy inputs, draft Policies and present it to relevant stakeholders; To conduct workshop to employees (30% of Employees) Development	Inputs and reviews were done. Draft policies were not presented to the stakeholders. Review of Retention Policy and strateg y was done.	N/A	Not achieved	Shortage of budget for workshop and awareness programmes	Will be done in the next financial year

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						y and Review Retention policy.										of scarce skills strategy and Review Retention policy.					

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Performance Management System	Performance of Employees not properly managed.	Development of a functional and effective Performance Management System (PMS) by June 2018	2.3	By ensuring that PMS is implemented to the entire employees by signing performance agreement.	PMS implemented to Senior Managers, Middle Managers and Employees to TASK grade 12 -8.	40% of Employees worked on PMS; develop performance Agreements and work plans for employees.	40% of Employees singed performance agreement.	2.3.1	Attendance Register and draft Performance Agreements and work plans.	Nil		Internal		conduct workshops for all Departments for Employees	Workshop conducted for supervisors in December 2016 and March 2017	40% of Employees worked on PMS; develop Performance Agreements and work plans for employees.	Workshops were not done.	N/A	Not Achieved	Frequent postponement by the facilitators from COGTA	Will facilitate through service provider in the next financial year

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Human Capital Development	Inadequate Capacity.	Providing comprehensive education, training and human resource development by June 2018.	2.4	By advising Employees, Managers and Councilors about relevant source of Skill development ; To identify skill gaps; To ensure functionality of training	60% of Employees trained as per WSP and 50% of Councilors trained.	Conduct trainings for Employees & Councilors; Study Assistance for Internal staff; Registration Fees for indigents; Training of Experiential Learners and Interns	Percentage of Councilors and Employees trained as per WSP	2.4.1	Attendance Register/R report from the Facilitator.			Internal		Conduct Skill Audit on all employees (221) by December 2016.	Skills audit conducted for employees and councilors and attached to WSP	Councilors & Employees trained as per WSP; Training of 31 Ward Committee Secretaries; Training of 31 Ward Clerks. Recruitment and selection of 10 experiential	Councilors & Employees were trained as per WSP. Training of 31 Ward Committee Secretaries was done. 31 Ward Clerks were trained. 10 Learners were	1 900 000	Achieved		

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub-Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				g Committee; To ensure that training are conducted in accordance with WSP		hip programme; Training of 31 Ward Committees Secretaries and training of Ward Clerks.										learners.	recruited.				

Labour relations	Lack of discipline	To ensure sound labour relation in the Municipality by June 2018	2.5	By ensuring effective & efficient management of labour relation in the institution.	Conducted 4 Awareness on Disciplinary code and procedure & grievance procedures; Capacity Middle Managers and Supervisors in application of Labour laws and Collective Agreement; Review Labour Relations Policies	To conduct 4 Awareness on Labour Relations issues; Proper implementation of Collective Agreement; To facilitate LLF sittings .	Number of Labour Relations Awareness's conducted, Reviewed, Collective Agreement and LLF decisions implemented.	2.5.1	Attendance Register/Departmental Report			Internal		N/A	N/A	To conduct 4 Awareness on Labour Relations issues; Proper implementation of Collective Agreement.	One awareness programme on Labour Relations issues. Proper implementation of Collective Agreement.	30 000	Not Achieved	Lack of budget that was allocated for the awareness	Will be conducted in the next financial year

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Labour relations		To ensure sound labour relation in the Municipality by June 2018	2.5	To ensure that Functional Consultative Structure/LLF; Promote working relationship between the employer and employee by 2023	LLF meetings convened on monthly basis and resolutions implemented.	Functionality of Local Labour Forum	Number of LLF meetings held.	2.5.2		Nil		Internal		By convening LLF meetings on monthly basis and communicate decisions to relevant stakeholder	12 Meetings convened and decisions were communicated to relevant stakeholders.	4 LLF meetings convened and resolutions implemented.	Four LLF meetings were convened and resolutions were implemented.	40 000	Achieved		

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	No of vehicles not in good conditions	To ensure Effective Fleet Management by 2018	2.6	Effective and efficient management of fleet	Policy developed, adopted and implemented; 9 new vehicles purchased; Employees workshopped on policy; tracking devices installed on 20 % of	Replacement of vehicles by procuring 3 vehicles and installing tracking devices and information system .	Number of vehicles procured and tracking devices and information system installed.	2.6.1	Invoices and delivery notes	2 700 000	2 750 000	Internal		Nine Installation of tracking devices;	Tracking device installed in all vehicles; - Vehicle for Mayor & Speaker procured; -Tag system is installed to all vehicles.	3 Vehicle procured and tracking devices and information system installed.	Four vehicles procured. Tracking device and information system was not installed	2 861 400	Not Achieved	Vehicles were procured at the end of June and the time for installation of tracking device and information system was minimal.	Tracking device and information system will be installed in July 2018

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI I N O.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
					vehicle s.																

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
RECORDS MANAGEMENT	Inappropriate Records Management system	Centralisation of Records and establishment of Archive storage within Mbizana by June 2018.	2.7	To ensure Centralization of municipal records by June 2018	Implementation of the Approved File plan, Bulk Filer and Steel Shelves in place, Records from 3 departments centralised	20% of the records centralised and 5% of records archived by 2018.	Percentage of Records Centralised and Archived.	2.7.1	Schedules	190 000	195 000	Internal		Centralised Records Management System	Inspection conducted by DSRAC, action plan developed and implemented for file plan implementation, file plan implemented to two departments and registr	20% of records Centralised; 5% of records archived.	Service Provider Appointed. 20% documents centralised and 5% archived.	190 000	Achieved		

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Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																roll-out conducted, centralisation of records implemented at DP, Internal audit, PMS, SCM and community services offices					

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Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
BUILDING MAINTENANCE	Dilapidated Municipal Buildings	To ensure that Municipal buildings are Maintained and repairs by June 2018	2.8	To routinely maintain in a better standard of our Municipal buildings by June 2018	MPYC maintenance by June 2017. Maintenance of 1 Community Hall. Maintenance of the Main building.	Maintenance of 10 Municipal Buildings	Number of Municipal Buildings maintained and repaired.	2.8.1	Invoices and appointment letters	273 000 0	500 000	Internal		MPYC maintenance by June 2017. Maintenance of 1 Community Hall. Maintenance of the Main building.	MPYC renovated (hall and offices) ; Sthukuthezi hall renovated; plastic chairs and tables were bought for 4 halls; fencing erected, paving in the new building	2 Municipal Buildings Renovated.	Two service providers appointed for Painting of Love life and Maintenance of Sewer Line in the main site.	350 036	Achieved		

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
															g; gutters were replaced, HR building renovated, Ward clerk office renovated, council chamber renovated						
Municipal ICT Systems	ineffective systems to support municipal	To ensure maximum availability of	2.9	By Improving Standard Operational Proces	ICT Systems in Place	Maintenanc e of Service level Agreements and	Signe d SLA and updat ed Licenc es	2. 9. 1	Signed Project Completio n Report	180 000 0		Yes	n/a	N/A	N/A	Up-to-date SLAs and Licenc es	SLAs and Licenc es were renew ed	1 800 000	Ach iev ed		

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	objectives	efficient ICT Services and Infrastructure by June 2018		ses and procedures		Licences															
	ineffective systems to support municipal objectives	To ensure maximum availability of efficient ICT Services and Infrastructure by June 2018	2.9	By Improving access to the Municipal Systems	Centralised System and Network Access in Place	Upgrade Network and installation of Wi-Fi access	Fixed and Wireless access point	2.9.3	Project Implementation report	600 000	400 000	Yes		N/A	N/A	Deploying Wi-Fi Network for Municipal Buildings	Wi-Fi Network for Municipal building was deployed	600 000	Achieved		

KPA No. 2:		INSTITUTIONAL TRANSFORMATION AND HUMAN RESOURCE DEVELOPMENT																			
Su b - Re su lt Ar ea	Issue	Strate gic Object ive	Obj ecti ve No.	Strateg ies	Baselin e Inform ation	Project to be imple mente d	Outpu t - KPI	KP I N o.	Means of Verification	Bud get	Adju stme nt Budg et	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Ach ieve d / Not Ach ieve d	Reaso n For Varian ce	Rem edial Action
												Int ern al	Ext ern al	Annu al Targe t	Actual Measu rable Perfor mance		Non- Financi al Perfor mance	Finan cial Perfor mance			
MUNICIPAL CORPORATE GOVERNANCE OF ICT	Lack of Corporate Governance of ICT that achieves the service delivery mandate of the municipality	To ensure that Corporate Governance of ICT achieves the service Delivery objectives by June 2018	2.10	By improving the Municipal website	Municipal Website in place	Access to Digitised content through the Municipal Web portal	Up-to-date Website	2.10.1	Website Screenshots	50 000		Yes	n/a	To ensure that Mbizana municipality website is compliant with maximum availability by 2016/17	Section 52 d and 71 reports uploaded on Website. Develop Specification and Follow Procurement processes. Mid Term Report	Up-to-date and compliant website as per the MFMA	Website content uploaded on the website	140 000	Achieved		

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Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				By Full implementation of the MCGICTP	Governance Structures and Policies in Place	Alignment of ICT Policies and Procedures with the objectives of the Municipality	Consolidated ICT Policy	2.10.2	Signed Policies and Procedures	200 000		Yes	n/a	CGICTG Approved and Implemented	CGICTG Approved and Implemented	Updated and reviewed ICT Policies	ICT Policies were not reviewed	N/A	Not Achieved	All service providers were non-responsive	To be done in quarter one of the next financial year

KPA NO. 3: LOCAL ECONOMIC DEVELOPMENT & SPATIAL PLANNING

KPA NO. 3: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT																					
Outcome 9 Objective																					
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Spatial Development Framework	Redressing past spatial development framework	To Implement municipal SDF that will guide developmental programmes and projects by June 2018	3,1	By implementing municipal SDF adopted by the council	council adopted SDF	Develop and adopt local SDF	Spatial integration and spatial analysis is municipal integrated development plan in terms development	3.1.1	TORs, Appointment letter , Council minutes adopting Local SDF, Adopted LSDF	R500 000	R3 000 000	N/A	Yes	To comply with Section 32 of the MSA	Adopted Lsdf	Council adopted/approved Local SDF	Local SDF was not Approved	Nil	Not achieved	2 Adverts were done and Bidders were Non-responsive	Local SDF to be Adopted by Council in May 2019

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Outcome 9 Objective																					
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Integrated Land Use Scheme	Non zoning scheme regulations in areas outside the urban edge	To regulate the use of land in an integrated manner within the municipal jurisdiction by June 2018	3,2	By implementing the council integrate land use scheme	Council adopted Integrated Land Use Scheme	Zoning scheme in areas that were previously not regulated in terms of land usage	Ward based zoning and public consultations	3. 2. 1	Information brochures, Spatial Maps , Attendance register and Minutes	Nil		Yes	Yes	N/A	N/A	3 Public Consultations, workshops and awareness campaigns	3 Public Consultations , workshop and awareness campaigns conducted	Nil	Achieved	N/A	N/A

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Outcome 9 Objective																						
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance				
Land Use Management System	Non-Conforming land uses, encroachments and land invasions	To ensure controlled land use management, development control and enforcement by June 2018	3,3	By implementing and enforcement on land usage	Council adopted land use management system	Development management , coordination , control and enforcement .	Development management and use of land according its use within municipal jurisdiction	3.3.1	Information brochures, Attendance register and Minutes	Nil		Yes	Yes	N/A	N/A	Public awareness campaign of the zoning and land uses	1	Public awareness campaign of the zoning and land uses were conducted	Nil	Achieved	N/A	N/A

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Land Audit	Non registered, unsurveyed properties and land ownership	By ensuring that properties are registered and survey of, and to maintain and update the register of properties within municipal	3,4	By implementing municipal land audit	Council adopted land audit for urban and rural areas	Land Audit Project Implementation Plan	Ward based audit of land ownership, registration and surveyed land parcels in municipal wards	3. 4. 1	TORs, Appointment letter , reports and plans	Nil		Yes	Yes	Complete land audit register	Completed Land Audit Register	Subdivision and Surveying of municipal land, sport fields and community halls	Subdivision and Surveying of Municipal Land, Sport fields and Community Halls was not done	Nil	Not achieved	The appointed service provider withdrawn the appointment	The project will be implemented by May 2019.

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		jurisdiction by June 2018																			
land development applications	Public developing without submitting land applications	By ensuring land applications are submitted and recorded in the town planning register by	3,5	By ensuring all approved applications are captured in the town planning register.	Municipal Spatial Development Framework and Integrated Land Use Scheme	Processing of all received applications until the approval stage	Zoning register of council approved land development applications . Updating of zoning and	3.5.1	updated town planning register, approval letters and plans	Nil		Yes	Yes	N/A	N/A	Determining of tariffs, processing of applications and update of zoning and land use maps	Completed tariffs, applications were processed and updated zoning register, land use maps	Nil	Achieved	None	N/A

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		June 2018					land use maps														
	Availability of property values to enable billing for property rates	To develop a credible valuation roll by June 2018	3,6	By formulating valuation, supplementary valuation roll to improve revenue collection	Valuation roll	Compilation of Supplementary valuation roll	One compliant and implemented Valuation, Supplementary valuation roll	3.6.1	Valuation Roll	R240 000	R320 000	Yes	N/A	Valuation Roll	Supplementary Valuation Roll	Development of the valuation roll	Valuation Roll was not developed	Nil	Not Achieved	Appointment of service provider for Development of the valuation roll delayed	To be developed in 2018 /19 Financial Year
Provision of	Housing backlog	To guide human	3,7	By providing land,	Municipal Housing	Development of housing	Council approval	3.7.1	Housing Needs	R350 000	R335 000	Yes	Yes	Housing needs	housing needs	Updating of the municipal	Updated Housing	R335 000	Achieved	None	N/A

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		settlements in ensuring access to housing is achieved by June 2018		beneficiary administration and applications for funding	Sector Plan	g needs register. Facilitation of houses construction and on preplanning	ved housing needs register, happy letter from beneficiaries . Number of houses handed over to beneficiaries		Register, housing sector plan						register	register	housing sector plan; Maintaining and updating of the housing needs register , signing of happy letters and handing over of houses	Sector Plan , Updated housing needs register report and signed happy letters			

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Outcome 9 Objective																					
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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Building control	Illegal building construction	To ensure compliance with National Building Regulations by June 2018	3,8	By updating building plan register and conducting inspections on submitted building plans	Building plans submitted for approval	Daily update of the building plans register. Conduct site inspections	Processing, approving of building plans and issue of occupational certificates	3.8.1	Updated building Plan Register	R110 000		N/A	Yes	20 plans approved	21 approved building plans	Updating of building plan register , conducting public awareness campaigns	Updated building plan register for the financial year end, 1 public awareness campaign conducted	Nil	Achieved	None	N/A
Geographic Information	Un updated geospatial information	To ensure management and update of	3,9	By implementing of a GIS systems as a tool	GIS System, Council adopted GIS	by enhancing Spatial presentation of the council	Fully Functional GISext System, integr	3.9.1	TORs, Appointment letter , Reports,	R300 000	R450 000	Yes	Yes	N/A	N/A	Municipal revenue enhancement using GIS	GIS has been integrated with municipal	R477 204	Achieved	None	N/A

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		municipal geospatial information by June 2018		to enhance service delivery through spatial information	strategy	Integrated development plans	ated systems and update of geospatial information within the municipal jurisdiction		GIS text Software							(integration with Munsoft). Installation of GIS text software	systems and integration software is in place				

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Implementation of SPLUMA	Past Spatial Imbalances	ensuring compliance with SPLUMA by June 2018	3,1	By Facilitate the implementation of the SPLUMA	Spatial Planning and Land Use Management Act	SPLUMA Guidelines within the municipal jurisdiction	Spatial imbalances of the past and socioeconomic integration	3.10.1	Attendance register and Minutes	R700 000		Yes	Yes	N/A	N/A	Conducting of workshops with the tribal authorities and stakeholders on the implementation of the act	2 workshops conducted with the tribal authorities and stakeholders on the implementation of the act	R200 000	Achieved	None	N/A

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Land acquisition and disposal	undeveloped land	To facilitate acquisition of well-located state land and disposal of council land by June 2018	3,11	Ensuring maximum utilisation of prime land	Municipal Land Audit	Acquisition of strategic land for development	land donation letters obtained by the municipality and land released for purpose of development, property ownership	3.11.1	Land Claim agreement	Nil		Yes	N/A	N/A	N/A	Finalisation of land claims, disposal of land and handover of transid o	Conducted meetings with Ntshamate CPA, letter confirming land claims is resolved confirming, r land has been disposed and ongoing	Nil	Not Achieved	The handover was not finalised, due to delays in signing the handover agreement by ECDS	Fast tracking the signing of the agreement by ECDC in order the handover to be done within this coming financial as

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																	g negotiations toward handover of transid o				ECDD recently appointed the district director or as the municipality already engaged with his office

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Outcome 9 Objective																					
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Town Establishment	Unavailability of land parcels for development	By facilitating township establishment application by June 2018	3,12	To create a number of sites	Municipality spatial proposal plan for the urban area	Township Establishment	Approved layout plan	3.12.1	Layout plan	R550 000	R450 000	Yes	N/A	N/A	N/A	Approved township establishment	Layout plans for township establishment has been approved	R350 000	Achieved	None	N/A

KPA NO. 3: SPATIAL PLANNING AND LOCAL ECONOMIC DEVELOPMENT																					
Outcome 9 Objective																					
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Economic Development Plan	LED plan not aligned with the National LED framework and all applicable legislations	To grow the local economy to 20 % by 2030	3,13	Facilitate integrated implementation of the LED strategy with other key stakeholders and Wild Coast Development plan	The LED Strategy has been reviewed and adopted in May 2016	Facilitate SMME development plan and policy, Implement Capacity development programs, Involvement of Private sector on LED programs.	SMME development plan. SMME development policy adopted. Training and number of SMME Supported, Private sector involvement	3.13.1	SMM E Policy	R400 000		Yes	N/A	N/A	N/A	Council adopted SMME plan and policy. Award and Host businesses conference with Private sectors. Facilitate N2 Wild Coast development	SMME Plan and Policy not adopted. Business conference with Private Sectors was conducted in July 2018. Conducted meeting with	R 39 700	Not achieved	No suitable service provider for SMME Plan. Tender was advertised twice & service providers were non responsive. Service provider was appointed in the last month of the	Service provider to complete SMM E Plan in the first quarter of the 2018 /19 financial year. Business conference should

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						Facilitate N2 Wild Coast Development	ement and contribution on LED programs. Number of SMME S benefited on Wild coast beneficiary											SANRAL and relevant Stakeholders for N2 Wild Coast development			fourth quarter. For the Business conference no suitable date could be found in the June and council agreed to host the conference in early July.	to be held in the first month (July) of 2018 /19 financial year.

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Tourism	Tourists statistics is not prepared monthly	To grow the tourism industry & increase the number of tourists by 10% in 2032	3,14	Involvement of private sector and other key stakeholders for integrated implementation of Tourism plan	The Tourism plan was adopted and its implementation has commenced	Support product owners, Branding and marketing, attend exhibitions and investment attraction	Marketing material and number of tourists visiting the destination & Number of Tourism products supported	3.14.1	One Tourism product promoted; Marketing and branding material	R799 500		Yes	ECPTA	Influx of tourists visiting the region.	The Marketing material for Indaba and VIC has been developed and the Municipality attended the Tourism Indaba	Tourism Plan implementation	Tourism Plan was Implemented by Attending Tourism Indaba to market Tourism Products from Mbizana. Partnered both City of	R 533 600	Achieved	None	None

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																		Ekurhuleni and conducted Tourism Awareness Campaign			

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Agriculture	Employment in agriculture not recorded	To grow and strengthen the agricultural sector by supporting local farmers by June 2018	3,15	Integrated Farmer support. Integrated support with access to markets for farmers.	The Agricultural plan was adopted	Small Scale farmers support program. Farmer's development program. Operation of Agricultural working group. Support RED HUB	Number of Small and large farmers supported. Number of meetings for AWG. Number of hectares increased at RED Hub primary	3.15.1	Delivery notes	### ### ##		Yes	DRD LR, DRD AR, ECR DA, Pota toSA	Support at least 5 small scale farmers and 1 commercial farming project	Supported 14 Agricultural Projects with Material , inputs and equipment	Supporting 8 local farmers ; red hub; and agri-parks programme	Supported 20 Local Farmers with Agricultural Inputs; provided Technical Support to Red Hub; Consultation with DAKO TTA regarding Agri-	R 564 000	Achieved	None	None

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							Coop and Number of Wards benefiting											Parks programmes			

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Mari-culture	Unavailability of boat launching site	To promote sustainable use of marine resources to contribute in the local economy by June 2018	3,16	Ensure support of small scale fishers with licenses and markets	There are only two Fishing projects with Commercial licenses and small scale fishers	Support Small scale and Commercial Farmers working with key stakeholders like Department of Land Reform.	One small scale fishing project supported. One Commercial fishing project supported.	3.16.1	Delivery noted	Nil		Yes	DRD LR,	Conduct fishing feasibility study and explore fish farming project	Supported 1 Entity from Mzamba with training of 10 Fishers on Skipper Training	Facilitate Commercial and small scale Fishing programs	Conducted training of Commercial and Small Scale Fishing programs but licenses are not yet issued	R150 708.00	Not achieved	Capacity development/training is needed in order to be granted with licenses and the municipality is facilitating key stakeholders to assist with marketing issues	To edge DAFF to FastTrack the process of granting licenses to small scale fisheries and commercial fisheries by June 2019

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																					together with issue of marketing
Enterprise Development	Limited job opportunities for contractors in the contractor development programme	To promote enterprise development to contribute 10% to the local economy	3,17	Develop SMME policy .Execute Entrepreneur Development programs and capaci		CDP Program, SMME & Cooperative Fundin g, Anchor Project Fundin	10 CDP Members upgraded in gradin g and capacitated. 5 projec ts suppo	3.17	Training report and attendanc e register	R340 7000		YES	SEDA	CDP implementation & 10 Contractors capacitated and supported with	16 Contractors out of 30 that were invited attended Finanial and	SMME Support and Capacity Development	23 SMME 's capacitated by Mbizana LM in collaboratio n with SEDA	None	Achieved	None	None

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		my by 2030		ty development		g. SMME capacity development	rted with funding and Training							projec ts	Busin ess mana gement trainin g						
Stakeholder Consultative	Lack of stakeholder integration	To revive structures to contribute to local economic development initiatives by June 2018	3,18	Capacitate and Work in collaboration with Structures in all sectors	There are number of local formations and structures that are not fully operational and too	LTO , LED Forum and Business Associations Capacity development and support	Functional Structures to ensure full representation of the key stakeholders	3.18.1	Attendance register and Minutes	R110 000		Yes	N/A	Capacitate structures , ensure operations and collaboration	Continuous engagements between Municipality and the Chamber to sign MOU between Im and	Continuous Capacitation of Structures and engagements with formations for integration	Engagements held with SANRAL and Business Structures and Business formations for Integration	R54100	Achieved	None	None

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
					much contestations in formations										SANRAL have been ongoing.						
Mining	Minining not fully supported	Coordination of Minining activities by June 2018	3,19	Integration of key industry players for mining activities	The proposed mining initiatives have not yet taken off	Support Sand, aggregate and titanium Mining initiatives	Number of Minining Activities supported	3.19.1	Reports of engagements and register.	Nil		Yes	Department of Mineral Resources	N/A	N/A	Support all mining activities in Mbizana in implementing SLP and with Capacity	Supported mining companies by facilitating meeting with relevant stakeh	None	Achieved	None	None

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												Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																development	olders and Attend Capacity Building Sessions				

KPA NO 4: MUNICIPAL FINANCIAL VIABILITY (BUDGET & TREASURY OFFICE)

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
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Revenue Management	There is no certainty as to whether all properties and accounts for services that should be billed	To achieve 100% billing for all services that are to be billed by June 2018	4.1	Maintain a credible consumer and properties database. Utilise and maintain effective and efficient	90% Billing on Rates and 60% billing on Electricity	Maintain a customer accurate and complete consumer Data	Reduced Customer queries - 100% of consumers in the database billed -100% of all consumers in the	4.1.1	Billing Reports	R300 000	Internal	N/A	100% of customers billed	100% customers in the billing system have been billed as at June 2017.	100% Billing of all properties and services accounts	100% Billing achieved on all accounts updated. Consumer data cleansing project appointed for to give update d	R1 498,31	Achieved	N/A	N/A

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	are billed			billing systems			database									information for the 2018/19 financial year				

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
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						Metering of electricity consumption and prepaid electricity	Debtors Age Analysis is reflecting a 10% owed on billing	4.1.2	Metering Books and Prepaid Reports	R500 000	Internal	N/A	N/A	N/A	100% Billing of all properties and services accounts	Metering assessment implemented to ensure accuracy and completeness	R531 837,98	Achieved	N/A	N/A

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						Licensing Fees for the prepaid vending system/ Hosting of data	Functioning prepaid vending Machine	4.1.3	Hosting Agreement, Invoices	R258 180,94	Internal	N/A	N/A	N/A	Payment of all licensing fees for the year	Licenses paid and the hosting agreement has been sent out for re-tender. The current one is on month to month basis	R378 624,11	Achieved	N/A	N/A

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	The desired collection rate or norm has never been achieved	To achieve 95% collection on all consumers billed by June 2018	4.2	Enforce credit control and debt management policy - Implement the Revenue Enhancement Strategy	85% Collection Rate	Implementation of the Credit Control and Debt Collection measures	Debtors Age Analysis is reflecting a 10% owed on billing	4.2.1	Disconnection lists and proof of submission to Electricity Section	R -	N/A	N/A	N/A	N/A	95% Collection Rate	Disconnections have been performed for defaulting consumers	0	Achieved	N/A	N/A
						Compilation of a policy and procedures booklets for the	Debtors Age Analysis is reflecting a 10% owed on billing	4.2.2	Booklets developed	R36 882,99	Internal	N/A	N/A	N/A	Distribution of booklets to consumers	update of revenue and billing policies towards the distribution of	0	Not Achieved	Currently policies are already being reviewed	This will be done for updated policies

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						consumers										booklets to consumers				during the 2018/19 Financial year

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Outcome 9 Objective:1																				
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Expenditure Management	Invoices are settled beyond 30 days of receipt at the Budget and Treasury Office	To pay creditors within 30 days in compliance with the MFM A by June 2018	4.3	Review the system description for the payment of creditors to ensure that it achieves the payment of creditors within	Some payments made beyond 30 days	Develop a tracking and monitoring of the invoices presented for payment	Monthly Reports	4.3.1	Creditors Ageing Analysis	R -	N/A	N/A	All payments to be made within 30 days	R462 000 of creditors beyond 30 days as at 30 June 2017	Settlement of all invoice presented for payment at BTO within 30 days	All creditors ready for settlement were settled within 30 days. Creditors reconciliations performed to determine period	0	Achieved	N/A	N/A

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				30 days												of payment and reasons where no payments have been made				

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Supply Chain Management	A supply chain management system that is not capable of achieving value for expenditure	To have an effective and efficient Supply Chain Management System by June 2018	4.4	Develop and monitor effective and efficient SCM systems	Non-adherence to the procurement processes and timelines	Development of systems to address the four pillars of SCM, Demand, acquisition, logistics and disposal management	Approved Procurement plan	4.4.1	Procurement Plan, report on the adherence to the procurement plan	R -	N/A	N/A	100% compliance with the approved procurement plan	Procurement Plan was developed and approved. There was not 100% compliance with it	Delivery of goods and services to the desired locations efficiently and effectively	All goods requested procured and delivered effectively and efficiently	0	Achieved	N/A	N/A

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						Contract Management Review	Contract register	4.4.2	Contract Register, Processes and procedures	R600 000	Internal	N/A	N/A	N/A	Functioning contract management system	Issues were identified in the contract management system and were therefore clarified and addressed. Contract register	R510 900	Achieved	N/A	N/A

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																has been reviewed and procedures implemented				

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Asset Management	All assets of the municipality must be accounted for in terms of their value, state and location.	To accurately account for the value and location of all municipal assets by June 2018	4.5	Annual Review of the asset management policy - Timely update of the Fixed Asset Register to be correct as at	FAR Correct as at 30 June 2016, with findings	To have a functioning Asset Management Unit -To have a GRAP Compliant Asset Register	Monthly Reports	4.5.1	Fixed Asset Register	R1 200 000	Internal	External	Updated GRAP Compliant Asset Register	Quarterly verifications performed, FAR compiled that is correct up to 30 June 2017	Establish a Asset Management Unit, Grap Compliant Asset Register as at year end	Monthly reconciliations prepared and verification still being done	R1 058 766,05	Not Achieved	Unfortunately the target includes events that overlap into the next financial year as we have to wait for the year and month	To be finalised with in the First Quarter of the new financial year

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				the end of a financial year															to be closed before other processes can commence.	

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	Annual financial statements that are not fully GRAP compliant	To compile Annual Financial statements that comply with all requirements by June 2018	4.6	Develop Sound , strict and effective procedures for the compilation of AFS	Audited AFS for 2015/16 with findings	Development of processes and procedures for Compilation of Compliant annual financial statements - Purchase of Caseware licenses	Credible Annual Financial Statements submitted on 31 August of each year, and quarterly financial	4.6.1	AFS Plan and procedure, Caseware licenses , Annual Financial Statements	R200 000	Internal	N/A	Preparation of quarterly financial statements - Timely submission of AFS for Audit by AG	2015/16 AFS were submitted on 31 August 2016. 2016/17 AFS are being compiled for the submission. Quart	Credible and fully compliant Annual Financial Statement	2016/17 AFS were submitted on 31 August 2017. Caseware licences were procure d and Annual financial statements were	R 33 149,03	Not Achieved	Opening balances not correctly transferred, only finalised on the 28th of June 2018	We are currently drafting the interim AFS

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
							state ments							erly financ ials were prepa red as well		prepar ed				

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						Implementation of mSCOA until AFS are produced	Report form Muns of System Indicating Mscoa compliant.	4.6.2	Report on the implementation of mSCOA	R700 000	Internal	External	N/A	N/A	Credible and fully compliant Annual Financial Statement	mSCOA Fully implemented from 1 July 2017	0	Achieved	N/A	N/A
						Manage the External Audit By the Auditor General	Audit Report	4.6.3	Audit Report	R3 648 750	Internal	N/A	N/A	N/A	Manage Audit and ensure audit readiness, Unqua	Communication of audit findings responded to and submitted to	R 4 447 040,30	Achieved	N/A	N/A

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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
															ified Audit Opinion	the AG's office				
						Review of Annual Financial Statements	Audit Report	4.6.4	Reviewed Annual Financial Statements	R300 000	Internal	N/A	N/A	N/A	Credible review of AFS by qualifying institutes	The 16/17 financial statements were reviewed	R185 000,00	Achieved	N/A	N/A
	None compliance with statutory reporting	Adhere to compliance in terms of mana	4.7	Preparation and submission of in-year statut	Reports submitted on time	100% compliance with the reporting dates	Email confirmations and signed reports	4.7.1	Email confirmation	R -	N/A	N/A	Timely submission of reports	All reports have been submitted on time	Submission of all statutory reports as	All reports for the year were submitted on time	0	Achieved	N/A	N/A

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	requirements	gement and reporting by June 2018		ory reports											required					
						Reconciliation of all general ledger accounts on a monthly basis(including ensuring that debit orders	Monthly Reports	4.7.2	Reviewed reconciliations	R221 297,95	Internal	N/A	All ledger accounts reconciled	All ledger accounts have been reconciled	Monthly reconciliation of all ledger accounts	All reconciliations for the year were prepared but some will only be finalised once all the figures	0	Achieved	N/A	N/A

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						relating to BTO are accounted for e.g. Bank charges)										have been finalised				
						Training of Financial Management Interns, payment of stipends and purchases	Appointed Interns and Progress Report on Training	4. 7. 3	Attendance registers, certificates	R1 445 000	N/A	External	N/A	N/A	Training of all management interns, and provision of working	All interns have been trained with some still attending training and the	R333 513,88	Achieved	N/A	N/A

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objectice:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						e of laptops									tools for them	required tools were provided				
						Membership fees to professional bodies for BTO Staff Progress Report	Number of Affiliated members and Progress Report	4.7.4	Membership fees invoices	R18 441,50	Internal	N/A	N/A	N/A	Membership to professional bodies by all officials	Membership fees paid for members who require membership	R 4 005,70	Achieved	N/A	N/A

KPA NO.4 : FINANCIAL VIABILITY																				
Outcome 9 Objective:1																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Baseline Information	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	None compliance with statutory reporting requirements	To timely produce budgets in line with the National Treasury Guidelines by June 2018	4.8	Develop and monitor processes to ensure timely and credible budgets are prepared	Adjustments budget adopted by 28 Feb of each year and Annual budget by 31 May of each year	Compile budgets to be adopted by council	Council resolution adopting the budget	4.8.1	Council resolutions	R -	N/A	N/A	Adopted Budgets	2016/17 Adjusted and 2017/18 Annual and MTREF Budgets have been compiled and approved.	Approved budgets	All budgets were approved within the required times and publicised as required	R30 596,40	Achieved	N/A	N/A

KPA NO 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Integrated Development Planning	To comply with Section 32 of the Municipal Systems Act	To ensure development of a credible IDP - aligned with PMS & Budget by May 2018	5.1	By developing an IDP process plan. By conducting public participation processes By ensuring alignment of budget to the IDP.	Review of the IDP for 2018/2019 which must be adopted by the council by May 2018	Council resolution on adoption of the IDP Review for 2018/2019	5.1.1	Council resolution on adoption of IDP Process Plan for 2018/2019 review . Council resolution on adoption	R1 400 000.00	1 811 535.53	Yes	N/A	To comply with Section 32 of the MSA of 2000.	One IDP, PMS & Budget Process plan approved by council on the 27th August 2016.	Council Approved IDP Review for 2018/2019 by May 2018	The 2018/2019 FY IDP Review was adopted by Council on the 30th May 2018.	R1 215 733.50	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
								on of draft IDP review for 2018 / 2019. Council resolution on Adoption of final IDP review for 2018 / 2019.						One Final IDP was adopted by council on the 30th May 2017 for the financial years 2017 / 2022.						

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
														Adverts were issued on final IDP Adoption and a copy of the final IDP was submitted to MEC's						

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
														office within 10 days after adoption as required.						

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Performance Management Systems	To comply with performance planning, implementation, monitoring and reporting regulations.	To ensure compliance with laws and regulations and ensure a culture of accountability, performance excell	5.2	By Facilitating and monitoring periodic reporting	Quarterly performance reports tabled to council .	Number of quarterly performance submitted to council and its structures for consideration	5.2.1	Minutes of council and its structures considering performance reports	2 163 500.00		MLM	N/A	Compliance to 2006 performance management regulations.	Four Performance Reports compiled and submitted to Council	Four Performance Reports submitted to Council and its structures for the 2017/2018 Financial Year	Four Performance Reports were compiled and submitted to Council	Nil	Achieved	N/A	N/A
				By facilitating formal	Biannual perfor	Number of perfor	5.2.2	Reports and attend	Nil		N/A	N/A	Two performance	2015 /2016 FY	Bi-annual Perfor	Two performance	Nil	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		ence & monitoring by June 2018		performance appraisals	mance appraisals	mance appraisals conducted		ance registers					appraisal conducted.	Annual performance appraisals and 2016/2017 FY Mid-Year Performance appraisals conducted	mance Appraisals conducted during the 2017/2018 Financial Year	appraisals were conducted.				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				By Facilitating compilation of the 2016/17 annual report	Compilation of 2016 / 2017 annual report	Oversight report on 2016 / 2017 annual report	5. 2. 3	Minutes of council and its structures considering 16/17 annual report	320 000.00	268 260.00	MLM	N/A	1 annual report adopted by council by March 2017	2015 /2016 FY Annual Report and Oversight Committee Report adopted by Council on the	1 annual report adopted by council in March 2018	2016/2017 Fy Annual Report and Oversight Report were adopted by Council on the 31st March 2018 and submitted to EC Cogta, EC	R155 900.00	Achieved	N/A	N/A

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Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
														31st March 2017 and submitted to relevant provincial departments as legislated		Treasury & EC Provincial Legislature as legislated				
Internal Audit	To comply with	To evaluate and	5.3	By advising the	Implementation of	Audit Committee	5.3.1	Attendance Register	310000		Yes	n/a	Four quarterly reports	8 Reports	Audit Committee	Internal Audit Coverage	250	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	section 165 of the Municipal Finance Management Act	improve the		Municipal Manager and reporting to the Audit Committee on the:	internal audit plan and any adhoc assignment.	approval of the Internal Audit Plan and Ad-hoc assignments for 2017/18		er, Invitations of Audit Committee Members					submitted to audit committee by June 2017	submitted to the Audit Committee: PPE Review Report, Cash & Revenue Review Report,	approved Internal Audit Plan and Adhoc assignments for 2018/19	e Plan was approved on the 28/02/2018. The following reviews completed as part of implementation of the Internal Audit Coverage Plan: Perform	000,00			

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
														SCM Report, PMS Review Reports, Q1, Mid-Year Assessment, Q3, and Q4. Audit Action Plan		ance Management (All Quarters), SCM (Procurement) Expenditure Management, HR, Cash and Bank, Compliance, Fleet Manage				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
														Review.		ment and Follow up on Audit Action Plan Progress.				
		effectiveness of risk management , control and governance processes by 2018		1. Implementation of the Audit Coverage Plan;																
				2. Internal Audit;				Report												
				3. Internal Controls,				Report												

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				Accounting Procedures and Practices;																
				4.Risk and Risk Management;				Attendance Register, Report												
				5. Performance Management and Loss Control;																
				6. Compliance with MFMA and any				Report												

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				other legislation applicable to the Municipality.																
Risk Management	To comply with section 165 of the Municipal Finance Management Act	To improve Risk Management to an acceptable levels by June 2017/18	5.4	By conducting municipal wide risk management workshops. By developing participatory risk manage	Review of Risk Management Plan and policy	Audit Committee approval of the Risk Management Plan for 2017/18	5.4.1		430 200,00		Yes	n/a	Council adopted Internal Audit Plan by August 2016.	Performed the institutional risk assessment which was later	Audit Committee approved Risk Management and Council Resolution adopting Risk	Risk Assessment was done, and a Risk Register was prepared. The risk assessment worksh	185000	Achieved	N/A	N/A

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Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				ment process plan.										reviewed by COGTA,	Management Policy for 2018/19	op was conducted on the 18-19th of June. Policy Review was done and no significant changes were noted; hence the council approval for this				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																policy still stands.				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Fraud and Corruption	To comply with Prevention and Combating of Corruption activities Act 12 of 2004	By combating and defeating fraud and corruption within Mbizana Municipality by June 2018	5.5	By reviewing and Implementing anti-fraud and corruption strategies through implementation of the Fraud and Anti-Corruption policy. Conducting awareness	Awareness campaigns and Review of Policy	Council resolution on adoption of the Fraud and Anti-Corruption Policy Review for 2017/2018	5.5.1	Invitation, Attendance Register	250 000,00		Yes	n/a	Reduced number of fraud and corruption incidents	One campaign on fraud and corruption was conducted during Mayor's School Awards on the 23rd	Council approved Fraud and Anti-Corruption Policy Review for 2018/2019	Conducted 2 Fraud and Anti-Corruption Awareness (23/03/2018), (19th June 2018). The Fraud and Anti-Corruption	Nil	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				s campaigns with all relevant stakeholders										January 2017 with the assistance of the audit committee chair person.			Policy Review was done and no significant changes were noted; hence the council approval for this policy still stands			

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Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Audit Committee	To comply with section 166 of the Municipal Finance Management Act	To advise the municipal council on the adequacy and effectiveness of the systems of internal control	5.6	By advising on the following matters:	Annual Report relating to the effectiveness of risk management and internal control and review of Annual Financial	Council Resolution on adoption of Audit Committee's report for 2018	5.6.1	Attendance Register	415 500,00		Yes	n/a	4 Audit Committee meetings and 4 quarterly reports submitted to council	Audit Committee Meetings, 09 th June 2017, 17 th February 2017, 10 October 2016, 28 th August 2016,	Council accepted audit committee's report for 2017/2018	Audit Committee Meeting dates(special Audit Committee meeting - 16/01/2018) (28/02/2018), (25/05/2018),Audit Committee	250000	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
					Statements											Advisory Report 29/01/2018,				
				1. Internal financial control and internal audits;				Internal Audit Reports												
				2. Risk management;				Internal Audit Reports												
				3. Accounting policies;				Internal Audit												

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
								Reports												
				4. The adequacy, reliability and accuracy of financial reporting and information;				Internal Audit Reports												
				5. Performance management;				Internal Audit Reports												
				6. Effective				Internal												

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				governance;				Audit Reports												
				7. Compliance with this Act, the annual Division of Revenue Act and any				Internal Audit Reports												
				other applicable legislation; and				Internal Audit Reports												
				8. Performa				Internal												

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				nce evaluation;				Audit Reports												
Special Programmes	To improve participatory democracy and inclusiveness	To coordinate mainstreaming of special groups & support by June 2018	5.7	BY coordinating Special Groups Forums, Internal & Sector departments to contribute towards mainstreaming of special groups in all	10 Council approved programmes targeting and in support of special groups	Number of council approved special programmes activities implemented	5.7.1	Attendance registers	1 914 625	2 493 662.58	Yes	n/a	18 Programmes targeting and in support of special programmes	Conducted 18 programmes in support of special programmes	Ten Council approved special groups activities for 2017/18	Ten council approved programmes conducted	R 1 956 525	Achieved	N/A	N/A

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Outcome 9 Objective																				
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											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
				programmes																
Sport Development	Promotion of community participation in organised sport by June 2018	To coordinate organised sport & improve community participation in sport by 2018	5.8	By supporting Sport and Recreation Council programmes	Four sport and recreational programmes	Four sport and recreational programmes conducted	5.8.1	Standing committee reports and minutes	490 000	1 241 368.42	Yes	n/a	5 sport support activities	4 sport support activities conducted	To conduct four approved sport and recreational programmes	Conducted four sporting and recreational programmes	1 241 368.42	Achieved	N/A	N/A

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Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
O.R. Tambo Legacy	To preserve O.R. Tambo legacy	To commemorate O.R. Tambo Legacy by June 2018	5.9	By implementing council approved OR Tambo legacy programmes/activities	6 legacy commemoration programmes	number of legacy projects implemented	5.9.1	Reports, Attendance registers and pictures	2 190 000	2 676 691.00	Internal		5 legacy programmes/activities	Four legacy activities conducted	6 legacy commemoration programmes	Five legacy commemoration programmes conducted	2 676 691.00	Not Achieved	OR Tambo beauty pageant coincided with matric exams hence it had to be rescheduled	To be conducted in the first quarter of the new financial year.

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Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Customer Care	Lack of awareness and commitment on customer care relations	To minimize customer care related complaints and create a customer friendly environment by	5.10	By enhancing capacity within customer care function.	Implementation of customer care policy	Number of resolved complaints received.	5.10.1	Attendance registers	240 000		Yes	N/A	N/A	N/A	To conduct eight customer care programmes	8 Customer Care programmes were conducted	R 293 435.00	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		June 2018																		

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Communications	Ineffective communication	To improve sound communication and public liaison by June 2018	5.1.1	By implementing various mechanisms of communication within the council approved communication strategy	Communication Strategy review and implementation	Council minutes on the approval of the communication strategy	5.11.1	Council minutes on the approved communication strategy and implementation	3 297 245		Yes	N/A	N/A	N/A	One council approved communication strategy and implementation	Communication strategy was reviewed	R311 000	Achieved	Nil	Nil
				By implementing communication strategy	Functional LCF in place	Number and minutes of LCF	5.11.2	Attendance registers and minutes	N/A		N/A	N/A	4 quarterly LCF meetings	3 LCF sittings	4 Quarterly LCF meetings	4 Quarterly LCF meetings sat	N/A	Achieved	Nil	Nil

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
						meetings														
Intergovernmental Relations	Fragmented co-ordination of government services	To improve coordination of service delivery amongst spheres of gover	5.12	By implementing IGR Terms of reference	Quarterly IGR meetings	Number of IGR meetings	5.12.1	Attendance registers and minutes			N/A	N/A	Four quarterly IGR sittings	2 IGR meetings sat	4 Quarterly meetings	4 IGR meetings sat	N/A	Achieved	Nil	Nil

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		nment by June 2018																		
HIV and AIDS	Increasing HIV and AIDS pandemic	To reduce the rate of HIV and AIDS prevalence by	5.13	By reviewing and implementing HIV and AIDS strategy	HIV and AIDS strategy review	Council minutes on approval of HIV & AIDS strategy and numb	5.13.1	Council resolution and standing committee reports	510 000		Internal		Council adopted strategy and annual implementation plan	HIV / AIDS Strategy was not reviewed and five Coun	Reviewal and implementation of 6 Council approved support	HIV / AIDS Strategy was not reviewed and five Council approved support	90 000	Not Achieved	District implementation plan not yet finalised	rescheduled for the next financial year

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
		June 2018				er of support programmes conducted								cil approved support programmes were conducted	t programmes	programmes were conducted				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Litigations	centralisation of legal matters	To ensure proper management of municipal legal matters by June 2018	5.14	By implementing council adopted legal risk management and litigation policy	By attending to municipal cases in the court roll	Number of cases attended and resolved	5.14	Standing committee reports and minutes	3 089 097	2 000 000			30% reduction of cases against the municipality	Cases against the municipality were reduced by 93.3 %	Management of municipal legal matters	Municipal legal matters were managed as follows: total no. of cases = 07 No. of cases settled = 01 No. of ongoing cases = 04 No. of cases	R4 379 956.00	Achieved	N/A	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																won = 02				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Public Participation	Improvement of Public Participation structures performance	To strengthen and enhance public participation mechanisms by June 2018	5.15	By building capacity and support to public participation structures	Training and support of public participation structures	Number of trainings conducted and support provided to Public Participation Structures	5.15	Attendance registers and reports	8 127 423		EQS	N/A	310 ward committee members elected and trained	310 ward committee members elected and trained	Providing training and support of public participation structures.	Training of ward committee secretaries and council or support assistants. Two ward committee quarterly meetings held and Know your	R 156 801.00	Achieved	None	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjustment Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																CDW campaign held				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
	To comply with the Section 73 of the Municipal Systems Act.	To ensure coordinated public participation in all municipal programmes	5.16	By facilitating consultative sessions with communities to ensure public involvement in all municipal programmes	Holding 1 Mayoral Imbizo, 1 IDP & Budget, 1 Annual Report roadshows.	Three consultative sessions conducted	5.16.1	Community inputs on mayoral Imbizo, Draft IDP & Budget and Annual Report and Attendance registers	390 000	R1 811 535.53	EQS	N/A	1 Mayoral Imbizo Programme, 1 IDP Roadshow, 1 Annual Report Consultative meeting	1 Mayoral Imbizo Programme, 1 IDP Roadshow, 1 Annual Report Consultative meeting	To facilitate three consultative sessions	1 Mayoral Imbizo Programme held 14-16 Nov 2017, 1 IDP and Budget Roadshow held on 15-17 May 2018, 1 Annual Report Consultative meeting held	R 240 312.72	Achieved	None	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
																on 6-8 February 2018, SPLUM A consultation Meetings held in five tribal authorities				

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
Council Support	Comply with Sec 18 (1) and (2) of Municipal Structures Act	To ensure proper sitting of Council & council committees by June 2018	5.17	By adhering to council adopted schedule of meetings	Adoption of schedule of council meetings and its committees, Coordinate sitting of Four Council meetings and Twelve council committees	Adopted schedule of council meetings and four council meetings convened and thirty six council meetings	5.17	Adopted schedule of council meetings, adverts and registers	24883123		EQS		Four council meetings and six council committees meetings held	Four council meetings and fifteen council committees meetings held	To facilitate four council meetings and Thirty six council committee meetings by June 2018	Schedule for council meetings and council committees was adopted by council. Four Ordinary council meetings held and seventy seven	R 415360.90	Achieved	None	N/A

KPA NO. 5: GOOD GOVERNANCE & PUBLIC PARTICIPATION																				
Outcome 9 Objective																				
Sub - Result Area	Issue	Strategic Objective	Objective No.	Strategies	Project to be implemented	Output - KPI	KPI No.	Means of Verification	Budget	Adjusted Budget	Budget Source		Preceding Financial Year's Performance (2016/2017)		Annual Target	Actual Measurable Performance		Achieved / Not Achieved	Reason For Variance	Remedial Action
											Internal	External	Annual Target	Actual Measurable Performance		Non-Financial Performance	Financial Performance			
					tees meetings by June 2018	committees										council committee meetings.				



Chapter 4: Organisational Development Performance

Component A: Introduction to Municipal Personnel

4.1. Employee Totals, Turnover and Vacancies

Employees					
Description		2017/18			
		Approved Posts	No. Of Employees	Vacancies	Vacancy Rate in %
Section Managers	56	7	6	1	16
Middle Managers		18	18	0	0%
Support Personnel (Officers, Coordinators, Administration Clerks & General Workers)		297	236	61	26%
Total		322	260	62	42%

1.2. Policies

Human Resources Policies				
	Name of Policy	Completed	Reviewed	Status
1	Acting Policy	Yes	Yes	Adopted
2	Overtime Policy	Yes	Yes	Adopted
3	Induction & Orientation Policy	Yes	Yes	Adopted
4	Leave Policy	Yes	Yes	Adopted
5	Disciplinary Code and Procedures	Yes	Yes	Adopted
6	Grievance Procedure	Yes	Yes	Adopted
7	Job Evaluation	Yes	Yes	Adopted
8	Recruitment & Selection	Yes	Yes	Adopted
9	Training & Development	Yes	Yes	Adopted
10	Retention Policy	Yes	Yes	Adopted
12	Retirement Policy	Yes	Yes	Adopted
13	Standby Policy	Yes	Yes	Adopted
14	Organisational Design	Yes	Yes	Adopted
15	Benefit Policy	Yes	Yes	Adopted
16	Attendance & Punctuality Policy	Yes	Yes	Adopted
17	Employee Wellness Policy	Yes	Yes	Adopted
18	Fleet Management Policy	Yes	Yes	Adopted
19	Special Risk Policy	Yes	Yes	Adopted

4.3. Suspensions

One suspension of a Senior Manager in August 2017.

4.4. Performance Rewards

The Municipal Manager and Section 57 managers are supposed receive performance bonuses based on their performance contracts and how they performed with regards to their scorecards and ratings as per their performance contracts. However no performance bonuses were awarded for the 2017/2018 financial year.

Component C: Capacitating the Workforce

4.5. Skills Development and Training this must also include skills development expenditure

Management Level	Gender	Employees in posts as at 30 June 2018	Learn ships		Skills programmes and other short courses		Other forms of training		Totals	
			Target 17/18	Actual 17/18	Target 17/18	Actual 17/18	Target 17/18	Actual 17/18	Target 17/18	Actual 17/18
Municipal Manager & S57 managers	Female	2	2	2	2	2	2	2	2	2
	Male	4	4	4	4	4	4	4	4	4
Councillors & Managers	Female	25+5=30	30	25	5	5	30	30	30	30
	Male	32+10=42	42	42	17	17	42	42	42	42
Technicians and Associate	Female	3	3	3	3	3	3	3	3	3
	Male	4	2	2	2	2	4	4	4	4

Professionals										
Professionals	Female	15	8	8	7	7	15	15	15	15
	Male	11	0	0	6	6	5	5	11	11
Sub total	Female	51								
	Male	61								
Total		112								

Financial Development Competencies					
Description	Number of officials employed	Total number	Competency assessment completed	Number of officials with performance agreements complying with regulation 16	Total number of officials meeting prescribed competency levels
Financial Officials					
Accounting Officer	1	1	Yes	1	1
Chief Finance Officer	1	1	Yes	1	1
Heads Of Departments	4	4	Yes	4	4

Manager Supply Chain	1	1	Yes	N/A	1
Other Financial Officials	3	3	Yes	N/A	1
Totals	10	10	Yes	6	8

Employees :Corporate services					
Level	2016/17	2017/18			
	Employees No	Posts No	Employees No	Vacancies	Vacancies % (As a % of total posts)
0-3	7	15	15	0	0%
4-6	14	12	11	01	8.33%
7-9	09	0	0	0	0%
10-12	07	12	12	0	0%
13-16	3	3	3	0	0%
Total	40	42	41	01	8.33%

Skills Development Expenditure								
Management Level	Gender	Employees in posts as at 30 June 2018						
			Skills programmes and other short courses		Other forms of training		Total	
		No of employee	Original Budget	Actual	Original Budget	Actual		
Municipal Manager & S57 managers	Female	Nil	R1,500,000	R 13,000	R 500,000	R 25,000		R38,000
	Male	3						
Councillors & Managers	Female	2	R1,500,000	R 114,000		R 13,000	Nil	R 263,000
	Male	5		R 136,000				
Technicians and Associate Professionals	Female	2	R1,500,000	R 30,000	R 500,000	R 11,000		
	Male	4		R16,000		R 67,000		R 124,000
Professionals	Female	2		Nil	R 500,000	R 48,000		
	Male	4	R1,500,000	R52,000		R 48,000		R 148,000
Sub total	Female	6		R 144,000	R 500,000	R59,000		

Skills Development Expenditure								
Management Level	Gender	Employees in posts as at 30 June 2018						
			Skills programmes and other short courses		Other forms of training		Total	
		No of employee	Original Budget	Actual	Original Budget	Actual		
	Male	16	R1,500000	R217,000		R153,000		
Total		22	R1,500000	R361,000	R500,000	R212,000		R 573,000

Capital Expenditure Year 2017-18: Corporate Services					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
IT Equipment	1 200 000	1 200 000	1085118	114882	1085118
Vehicles	2 250 000	2 865 700	2 488 174	-238 174	2 488 174
Furniture & Equipment	500 000	294 300	249 271	250 729	249 271
ICT	2424000	2524000	2558538	-34538	2558538
Training & Development	1 432 500	-	1 706 559.94	-274 059.94	1 706 559.94

Capital Expenditure Year 2017-18: Corporate Services					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Protective Clothing	135 000	135 000	62 891.32	72 109	62 891.32
Vehicle Fuel & Oil	2 700 000	1 950 000	1 869 747.50	830 252.50	1 869 747.50
Advertising Fees	666 180	-	262 948.62	403 231.38	262 948.62
Water & Sanitation	315 000	75 000	-	-	-
Training: Students	231 886	561 996	513 46.50	180 539.50	51 346.50
Study Assistance	500 000	370 000	368 159.83	131 840.17	368 159.83
EAP	-	-	-	-	-
Tracker	249 996	189 996	87 406.93	162 589.07	87 406.93
Telephone	1 219 344	2 119 344	2 444 653.33	- 1 225 309.30	2 444 653.33
Travelling & Accommodation	1 982 984	-	1 427 048.56	555 935.50	1 427 048.56
Subsistence & Travelling	370 000	-	173 167.13	196 832.87	173 167.13
Printing & Stationery	699 996	869 996	408 488.46	291 507.54	408 488.46
Labour Relation	94 996	94 996	14 878.24	80 117.76	14 878.24
ICT License	N/A	N/A	N/A	N/A	
License Fees	1960 000	1960 000	1 927 913	32 087	1 927 913
Insurance External	1 819 300	-	1 551 779.26	267 520.80	1 551 779.26
Conference & Workshops	1 008 800	-	331 872	676 928	331 872

Capital Expenditure Year 2017-18: Corporate Services					
Capital Projects	2017-18				
	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Cleaning Material	399 996	399 996	303 130	96 866	303 130
R&M Equipment & Vehicles	2 050 000	1 577 000	1 706 249	343 751	1 706 249
R & M Building & Installation	200 000	183 000	313 773.32	-1 13 733.32	313 773.32
TOTAL					

Chapter Five: Financial Management

5.1. Statement of Financial Performance

The statement of financial performance as prepared by the municipality shows that the municipality has in the 2017/18 financial year made a surplus. This may be attributed to the savings on personnel expenditure resulting from positions that were filled late in the financial year and those that were not filled, expenditure initially anticipated to be repairs and maintenance that was later capitalised as the expenditure qualified to be capitalised. This surplus is also as a result of revenue recognised on conditional grants received and spent that were used to create assets.

This statement shows revenue from Exchange Transactions at above R48.9 million, Property Rates at R19.9 million and grants at more than R313 million. The total expenditure on the other hand shows a total expenditure of over R330 million (see annual financial statements).

5.2. Grants

Mbizana Local Municipality has received grant funding for the 2017/18 financial year as indicated in the Division of Revenue Act of 2017. The grant funding the year was as follows and all the grants were received:-

Description	2017/18 Budget	Adjusted	2018/19 Budget	2019/20 Budget
EQUITABLE SHARES	197 681 000		230 525 000	254 380 000
FINANCIAL MANAGEMENT GRANT	2 145 000		2 215 000	2 215 000
MIG	58 119 100		45 045 200	45 943 900
MIG - OPERATIONAL	3 058 900		2 370 800	2 418 100
ELECTRIFICATION GRANT	34 000 000		25 030 000	21 700 000
MSIG	0		0	0
DEDEAT GRANT - ALIEN PLANTS	0		0	0
EPWP GRANT	1 704 000		2 335 000	0

- **Equitable Share:** is utilized mainly for funding operations and could also be used for a smaller portion of capital expenditure
- **Municipal Infrastructure Grant:** is a conditional grant for the funding of municipal infrastructure developments
- **Municipal Systems Improvement Grant:** is a conditional grant for institutional development, installation of systems and improvement of governance systems
- **Financial Management Grant:** is aimed at building the financial management capacity as well as for the procurement and maintenance of financial systems.
- **District Municipality Transfers:** is funding received from the District Municipality for planning and implementation of functions that we undertake on their behalf and for the compilation of the Integrated Development Plan of the local municipality as well as GIS implementation.

Mbizana Local Municipality has received other grant funding for the 2017/18 financial year as indicated in the provincial gazette and allocations from the District Municipality. The grant funding the year was as follows and all the grants were received:-

Description	2017/18 Adjusted Budget	2018/19 Budget	2019/20 Budget
LIBRARY SUBSIDY	350 000	448 000	391 000
LED ASSISTANCE GRANT	0	0	0
IDP GRANT	0	0	0
GIS SHARED SERVICES GRANT	0	0	0
SDF GRANT	0	0	0

- **Other grants:** these are received at various intervals for LED projects, and Library Subsidy.

5.3. Asset Management

Asset Management is a component of the Budget and Treasury Office that falls under the Supply Chain Management. This section ensures that all assets are correctly accounted for and are known exactly according to their locations. To this end, the department has ensured that a GRAP compliant fixed asset register is compiled, that is appropriately unbundled and is able to indicate the description of the assets, their locations, their useful lives, their current status, and a whole lot of other essential information as required. This register is subjected to the audit by the Auditor General to ascertain its credibility and its ability to assist management in managing assets.

Component B: Spending Against Capital Budget

5.4. Capital Expenditure

The following table shows the capital expenditure incurred by the municipality for the 2017/18 financial period:-

Description	2017/18 Adjusted Budget	ACTUAL
ROAD INFRASTRUCTURE	44,848,795	40,679,840
ELECTRICITY INFRASTRUCTURE	35,050,688	32,581,190
REFUSE SITES	500	
COMMUNITY HALLS	12,023,484	11 847 391
SECURITY EQUIPMENT	0	0
VEHICLES	4 144 900	4 356 174
COMPUTER HARDWARE AND EQUIPMENT	1 200 000	1 085 118.43
FURNITURE AND OFFICE EQUIPMENT	1,039,804.00	1 768 354
LAND AND BUILDINGS	0	0
OTHER ASSETS	31 566 831	30 935 943.58

5.5. Sources of Finance

Apart from grant funding, the municipality also has other funding streams. It is important to note that these streams still form a very limited portion of the overall revenue generated and strategies and plans still need to be crafted to turn the situation around.

Description	Original 2017/18 Budget	YTD ACTUAL
ASSESSMENT RATES: RESIDENTIAL	22 341 792	19 942 067.51
METER REPLACEMENT	22 824	41 578.44
LEASEHOLD FEES	692 988	629 966.11
HALL HIRE	60 888	25 975.54
INTEREST ON INVESTMENTS	5 874 864	6 749 536.79
INTEREST ON CREDIT BALANCE	283 956	685 913.11
TRAFFIC FINES	469 692	1 477 440.00
PRE-PAID ELECTRICITY	6 152 196	7 348 948.09
ADVERTISING INCOME	323 281	104 535.06
BUILDING PLANS	102 120	132 235
INTEREST IN ARREARS	1 774 848	3 790 555.90
ELECTRICITY CONNECTIONS	43 296	0
RECONNECTIONS	11 820	52 379.08

Description	Original 2017/18 Budget	YTD ACTUAL
FINES – GENERAL	316 008	97 702.00
DEPT TRANSPORT - LICENCING STA	2 249 316	2 293 424.04
NATIS AGENCY FEES	783 048	1 150 355.41
VENDING & HAWKING	123 120	98 572.41
COMMISSION RECEIVED	80 076	114 787
REFUSE – INCOME	2 121 996	1 317 386.29
FUNERAL FEES	11 088	10 347
BASIC ELECTRICITY	23 366 280	22 106 038.28
TENDER FEES	444 624	316 469
LAND SALES	42 384	47 062
ZONING FEES	0	4 699.63
POUND FEES	0	70 873
RECREATIONAL FACILITIES	0	0

1.6. Capital Expenditure on 5 Largest Projects

The Municipality has prioritised list of projects to be implemented in 2017/18 financial year, the projects listed below are the 5 largest contracts the Municipality is implementing. The Municipality has spread its priorities across Engineering Services sections. The Municipality has contracts that are multi-year contracts and its implementation will be projected over a period of 3years. Some projects are completed under 2017/2018 financial year.

Capital Expenditure Year 2017-18: (PMU and Electrification)						
Capital Projects	2017-18					
	STATUS	Budget	Adjusted Budget	Actual Expenditure	Variance from Original Budget	Total Project Value
Mphuthumi Mafumbatha Stadium	Under Construction	12 000 000,00	12 000 000,00	12 000 000,00	0,00	R61 862 554,68
Mgomanzi Access Road	Completed	1 444 596,00	10 530 121,00	R 10 066 636.42	9 085 525,00	R 10,530,121.34
Electrification of Mpetsheni	Completed	12 159 846,00	10 298 680,00	R 5 320 750,55	-1 861 166,00	R 5 785 500,00
Upgrade of Infrastructure Tarring of Streets in Town	Under Construction	2 916 661,00	9 112 589,00	R 6 378 544,91	6 195 928,00	R9 112 588,86
Mbizana Town Hall in Ward1	Under Construction	7 502 352,00	8 511 687,00	R 5 418 170,93	1 009 335,00	R83 412 759,95

1.7. Basic Service and Infrastructure Backlogs

The Municipality is mandated to implement or deliver basic services to Mbizana Municipality communities in all aspects. The institution is striving towards eradicating backlogs in Electrification, Roads, Refuse removal, Community halls and sporting facilities. The backlogs are shown below with comments.

Infrastructure Services Categories	Municipal Baseline (Total HH)	Access To Date	Access To Date (%)	Backlog To Date	Backlog To Date (%)	Universal Access Target (Comments)
Electricity	48 447	40 179	83%	8268	17%	The municipality and Eskom did a 5 year electrification master plan which when completed the municipality would have reached a universal access within its area of Jurisdiction.
Roads	942	707,4	75%	234,6	25%	By 2027-2028 FY

Infrastructure Services Categories	Municipal Baseline (Total HH)	Access To Date	Access To Date (%)	Backlog To Date	Backlog To Date (%)	Universal Access Target (Comments)
Refuse Removal	1294	1294	100%	0	0%	The total households for the municipality will have to be all serviced by 2028.
Community Halls	31	11	35%	20	65%	By 2025-2026 FY
Sports Facilities	31	3	10%	28	90%	By 2029-2030 FY

Component C: Cash Flow Management and Investment

5.8 Cash flow

The municipality is still able to meet its obligations as they fall due, which means there is enough cash within the municipality to ensure that financial obligations and commitments are settled within time and with no difficulties.

As disclosed in the annual financial statements, the municipality is a going concern and can therefore operate for the next 12 months. The liquidity ratio of the municipality is still showing signs of health as the current assets of the municipality outweigh the current liabilities.

Having noted this, it must be indicated that the municipality needs to ensure a careful balancing act to ensure that there is no extravagant spending on non-essential items, and taking this from the tune of the National Treasury on cost cutting and austerity measures to be implemented. As disclosed in the annual financial statements as well, the municipality still has commitments to the value of more than R187 million as at the end of June 2018.

The municipality has also been able to generate in the excess of R7,4 million on interest from investments. This is cash that is not immediately required by the municipality and is therefore placed on short term investments to generate some interest.

5.9. Borrowing and Investment

The communities around Mbizana have indicated that one of their most important priorities is the provision of electricity in all villages. This has meant that, beyond the allocation for Integrated National Electrification Programme, the municipality has had to go out of its way to borrow funds for electrification. To this end, the municipality has entered into a front loading agreement with the

Development Bank OF Southern Africa. This agreement assists the municipality in accelerating the electrification of villages which would have otherwise not be catered for under the grants to the municipality and to ESKOM. A loan of R40,4 million was then secured during the 2015/16 financial year.

The INEP allocation for 2016/17 amounting to R 25 million was used during that year to repay the frontloading arrangement and a portion of the 2017/18 allocation has been utilised to settle the loan which is charged at an interest rate of 9.1%

Component D: Other Financial Matters

5.10. GRAP Compliance

The Mbizana Local Municipality has compiled its 2017/18 Annual Financial Statement according to the provisions of GRAP and other applicable legislations. This has been supported by the compilation of a Fixed Asset Register that complies with all the requirements of GRAP. The Auditor General of South Africa will then audit these and give its opinion at the end.

Chapter Six: Auditor General's Audit Findings

Component A: Auditor's Opinion on the Finance Statement for Prior Year.

6.1. Prior Year Comments

The Auditor General of South Africa audited the 2016/17 annual financial statements and they expressed their opinion as an unqualified audit opinion. This means that there were adjustments made that led to the opinion given. The municipality then, on the basis of the findings, prepared an audit action plan to address the findings of the AG. The plan was developed by management, tabled to council and approved.

The progress on the action was then reported to management committee meetings and to the relevant council committees. This ensured that there was enhanced monitoring on the progress in dealing with the findings. All findings have therefore been addressed. The auditor general however emphasised the following:

- The corresponding figures for 30 June 2016 were restated as a result of the errors identified by the municipality during the 2017/18 financial year
- Material losses of R4,5 million were incurred as a result of electricity losses
- Material impairments were incurred as a result of irrecoverable debtors

- Irregular expenditure was incurred as a consequence of contravening the Supply Chain Management policy and regulations
- Unauthorised expenditure incurred as a result of non-cash disposal of PPE that relates to electricity infrastructure transferred to Eskom.

6.2. Current Year



APPENDICES

A. MLM Councillors and Council Attendance

Council Member	Full Time / PT	Committee allocated	Political Org/Prop rep /Ward Cllr	No. of council meetings attended including specials	No. of Apologies / Leave of Absence
1.Cllr T. D. Mafumbatha	Fulltime	BTO	ANC/PR		
2.Cllr. S. Magini	Fulltime	Good Governance, IGR & SPU	ANC/PR		
3.Cllr.M. Mpetshwa	Fulltime		ANC/PR		
4.Cllr. L. Makholosa	Fulltime	BTO	ANC/PR		
5.Cllr.L.T. Somadlangathi	Fulltime	Development Planning & LED	ANC/WC		
6.Cllr.N. Dlamini	Fulltime	Engineering Services	ANC/PR		
7.Cllr.R.T.Nkomo Khwela	Part time	Corporate services	ANC/PR		
8.Cllr.M.S.Maphetshana	Fulltime	Corporate Services	ANC/PR		
9.Cllr. N. N. Mhlelembana	Part time	Community Services	ANC/PR		
10.Cllr Z. Mhlwazi	Part time	Good Governance	ANC/WC		
11.Cllr. I. M. Sabuka	Part time	BTO	ACU/PR		
12.Cllr. A. M. Specman	Part time	Corporate Services	EFF/PR		
13.Cllr. E. Voko	Part time	Corporate Services	ANC/PR		
14.Cllr .N. E. Cengimbo	Fulltime	MPAC	ANC/PR		
15.Cllr.F.N.Sobazile	Part time	Community Services	ANC/PR		
16.Cllr P. N. Mfingwana	Part time	Development Planning & LED	ANC/PR		
17.Cllr. N. Sikiti	Part time	Development Planning & LED	ANC/PR		
18.Cllr. N. Mgolozana	Part time	Good Governance	ANC/PR		
19.Cllr.N.Sikibi	Part time	MPAC	ANC/PR		

Council Member	Full Time / PT	Committee allocated	Political Org/Prop rep /Ward Cllr	No. of council meetings attended including specials	No. of Apologies / Leave of Absence
20.Cllr. N. Giyama-Bongwana	Part time	Good Governance	ANC/PR		
21.Cllr.N.Mavundla	Part time	Engineering Services	ANC/PR		
22.Cllr.R.N.Madikizela	Part time	MPAC	ANC/PR		
23.Cllr.F.Mbuyelwa	Part time	Engineering Services	ANC/PR		
24.Cllr.J.M.Valikho	Part time	Community Services	ANC/WC		
25.Cllr. V. Mbhekwa	Part time	Community Services	ANC/WC		
26.Cllr B. Luwele	Part time	Good Governance	ANC/WC		
27.Cllr.N.C.Cengimbo	Part time	Development Planning & LED	ANC/WC		
28.Cllr M. Mbele	Part time	Good Governance	ANC/WC		
29.Cllr.L.B.Mbuzi	Part time	Community Services	ANC/WC		
30.Cllr. C. N. Matyeni	Part time	Community Services	ANC/WC		
31.Cllr.Z.Mashiya	Part time	Development Planning & LED	ANC/WC		
32.Cllr.M.S.Msindo	Part time	Corporate Services	ANC/WC		
33.Cllr S. M. Faku	Part time	Development Planning & LED	ANC/WC		
34.Cllr.Y.Mfana	Part time	Development Planning & LED	ANC/WC		
35.Cllr V. Sotubhu	Part time	Development Planning & LED	ANC/WC		
36.Cllr L. G. Mcambalala	Part time	Corporate Services	ANC/WC		
37. Cllr. M.E. Mapholoba	Part time	Corporate Services	ANC/WC		
38.Cllr M. Mpofana	Part time	Corporate Services	ANC/WC		
39. Cllr. M Qumba	Part time	BTO	ANC/WC		

Council Member	Full Time / PT	Committee allocated	Political Org/Prop rep /Ward Cllr	No. of council meetings attended including specials	No. of Apologies / Leave of Absence
40.Cllr M.J Dekede	Part time	Engineering Services	ANC/WC		
41.Cllr M.M Manyathela	Part time	Good Governance	ANC/WC		
42. Cllr N Bengu	Part time	BTO	ANC/WC		
43. Cllr S.A Maphasi	Part time	Corporate Services	ANC/WC		
44. Cllr N Dayimani	Part time	Engineering Services	ANC/WC		
45. Cllr. N. Hlebo	Part time	Development Planning	ANC/WC		
46. Cllr M Ndovela	Part time	MPAC	ANC/WC		
47. Cllr. O Nofemele	Part time	Good governance	ANC/WC		
48. Cllr A I Guqaza	Part time	MPAC	ANC/WC		
49. Cllr M R Dlamini	Part time	BTO	ANC/WC		
50. Cllr B.A Jalubane	Part time	Engineering Services	ANC/WC		
51. Cllr N Madikizela	Part time	BTO	ANC/WC		
52. Cllr T. Faku	Part time	Community Services	ANC/WC		
53. Cllr S. Ngonini	Part time	MPAC	APC/PR		
54. Cllr M .J Ndesi	Part time	Development Planning	DA/PR		
55. Cllr C.N Mfingwana	Part time	Community Services	DA/PR		
56. Cllr N Langasiki	Part time	Engineering Services	EFF /PR		
57. Cllr L. Nqodi	Part time		EFF/PR		
58. Cllr N Madikizela	Part time	Good Governance	AIC/PR		
59. Cllr N. Sipatala	Part time	BTO	ACU/PR		
60 Cllr N. Cwele	Part time	Development Planning	ACU/PR		
61. Cllr .S.P Sobhoyi	Part time	Community Services	EFF/PR		
62. Cllr L Silangwe	Part time		UDM/PR		
63.Cllr N. Mapholoba	Part time	Community Services	ANC/WC		
64. Cllr T.R Maquthu	Part time	Corporate Services	Traditional Leader		
65. Cllr F H Mlindazwe	Part time		Traditional Leader		

Council Member	Full Time / PT	Committee allocated	Political Org/Prop rep /Ward Cllr	No. of council meetings attended including specials	No. of Apologies / Leave of Absence
66. Cllr T. Mjanyelwa	Part time	Good Governance	Traditional Leader		
67. Cllr N. Madikizela	Part time	Community Services	Traditional Leader		
68. Cllr N. Sontsele	Part time	Development Planning & LED	Traditional Leader		
69. Cllr L. Baleni	Part time	Corporate Services	Traditional Leader		
70. Cllr N. Nontlanga	Part time	Community Services	Traditional Leader		
71. Cllr N. Sigcau	Part time	BTO	Traditional Leader		
72. Cllr M. Ndunge	Part time	Engineering Services	Traditional Leader		
73. Cllr B Bhenxa	Part time	BTO	Traditional Leader		
74. Chief B. Langasiki	Part time		Traditional Leader		
75. Chief N. Gazula	Part time		Traditional Leaders		

A. Municipal Council Committees

Council Committees	Functions
1. Spatial Planning and LED Standing Committee	<ul style="list-style-type: none"> • Land use planning • Town planning • Building control • Housing • Tourism • Agriculture • Manufacturing • Forestry • Culture & Heritage • Nature conservation
2. Engineering services and Infrastructure	<ul style="list-style-type: none"> • Roads construction and maintenance • Construction of public infrastructure • Electrification

Council Committees	Functions
development Standing Committee	
3. Good Governance and Intergovernmental Relations Standing Committee	<ul style="list-style-type: none"> • Integrated development planning • Organisational performance management • Legal services • Internal auditing • Council support • Intergovernmental relations •
4. Special Programmes Standing Committee	<ul style="list-style-type: none"> • Sports development • HIV & AIDS programme • Elderly and Veterans • Youth development • Women development • People living with disabilities • Circumcision programme
5. Environmental services, Cleansing and Maintenance Standing Committee	<ul style="list-style-type: none"> • Solid waste services • Verge cutting • Street cleaning • Area beautification • Beaches management • Pounds • Cemeteries
6. Protection services, public transport and public safety Standing Committee	<ul style="list-style-type: none"> • Traffic control • Motor licensing • Enforcement of by-laws • Disaster management • Public transport management • Safety and security
7. Budget and Treasury Standing Committee	<ul style="list-style-type: none"> • Budgeting and reporting • Expenditure management • Revenue collection and enhancement • Supply chain management • Assets management • Disposal management • Investments management
8. Corporate Services Standing Committee	<ul style="list-style-type: none"> • Labour relations • Staff recruitment services • Employment equity • Skills development • Occupational health and safety

Council Committees	Functions
	<ul style="list-style-type: none"> • Employee wellness services • Records management • Information communication technology • Facilities management • Fleet management • Employee performance management •
<p>9. Audit Committee</p>	<ul style="list-style-type: none"> • Review of the quarterly reports submitted by internal audit on performance measurement; • Review the performance management system ensuring functionality thereof; Compliance with the Act and make recommendations to Council; • Focus on economy, effectiveness, efficiency, reliability and impact applicable to the Municipality's own key performance indicators; and • Reporting on the outcomes of its review and focus areas to the Council, at least twice per annum; • Communicating directly with Council, Municipal Manager or internal and Auditor-General; • Access any municipal records containing information that is needed to perform its duties or exercise its powers; • Request any relevant person to attend any of its meetings, and if necessary, to provide information requested by the committee, and, • Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.
<p>10. Municipal Public Accounts Committee</p>	<ol style="list-style-type: none"> 1. To consider and evaluate the content of the annual report and to make recommendations to council when adopting an oversight report on the annual report 2. In order to assist with the conclusion of the matters that may not be finalised, information relating to past recommendations made on the annual report, must also be reviewed. This relates to current in year reports including the quarterly, midyear and annual reports. 3. To examine the financial statements and audit reports of the municipality and municipal entities, and in doing so, the committee must consider improvements from previous statements and reports and must evaluate the

Council Committees	Functions
	<p>extent to which the Audit Committee's and the Auditor General's recommendations have been implemented:</p> <ol style="list-style-type: none"> To promote good governance, transparency and accountability on the use of municipal resources To recommend or undertake any investigation in its area of responsibility, after reviewing any investigation report already undertaken by the Municipality or the Audit Committee and
11. ICT Steering Committee	<ul style="list-style-type: none"> Develop corporate level ICT strategies and plans that ensure the cost effective application and management of ICT systems and resources throughout the municipality. Review current and future technologies to identify opportunities to increase the efficiency of ICT resources. Monitor and evaluate ICT projects and achievements against the ICT Strategic Plan. Provide advice and recommendations to the Municipal Manager and Management team on significant ICT issues. Shall respond to all ICT related queries as raised by Auditor General's reports.

B. MUNICIPAL COMMITTEES

Name of standing committee	How many standing committees and council meetings planned in 2017/2018 FY calendar	How many were convened including specials
Council	4	16
Executive committee	5	15
BTO	11	08
MPAC	4	06
Engineering Services	10	08
Spatial Planning & LED	10	07
Community Services	10	11
GG,PP AND SPU	10	05
Corporate Service	10	09

EXECUTIVE COMMITTEE ATTENDANCE

Council Member	Full Time / PT	Political Org/Prop rep /Ward Cllr	No. of committee meeting planned.	No. of attended including Specials	Absent
1.Cllr T. D. Mafumbatha	Fulltime	ANC/PR	05	14	1
2.Cllr. L. Makholosa	Fulltime	ANC/PR		10	5
3.Cllr.L.T. Somadlangathi	Fulltime	ANC/WC		12	3
4.Cllr.N. Dlamini	Fulltime	ANC/PR		12	3
5.Cllr.R.T.Nkomo Khwela	Part time	ANC/PR		12	3
6.Cllr.M.S.Maphetshana	Fulltime	ANC/PR		14	1
7.Cllr. N. N. Mhlembana	Part time	ANC/PR		13	2
9.Cllr Z. Mhlwazi	Part time	ANC/WC		02	0
11.Cllr. I. M. Sabuka	Part time	ACU/PR		09	6
12.Cllr. A. M. Specman	Part time	EFF/PR		13	2

Engineering Services Standing Committee

Initials & Surname	Full Time / PT	Political Org / Prop-PR/Ward Cllr	No. of committee meetings planned.	No. of meetings Attended Incl. Specials	Absent
1.Cllr N. Dlamini	F/T	ANC-PR	10	8	0
2. Cllr F. Mbuyelwa	P/T	ANC-PR		7	1
3. Cllr B.A Jalubane	P/T	ANC-WC		7	1
4.Cllr M. Dekede	P/T	ANC-WC		8	0
5. Cllr N. Mavundla	P/T	ANC-PR		7	1
6.Cllr N. Dayimani	P/T	ANC-WC		6	2
7.Chief M. Ndunge	P/T	Traditional Leader		1	2
8. Cllr N. Langasiki	P/T	EFF-PR		4	4

COMMUNITY SERVICES STANDING COMMITTEE

Name & Surname	Full Time / PT	Political Org / Prop-PR / Ward Cllr	No. of committee meetings planned	No. of attended including Specials	Absent
1.Cllr. N. N. Mhlembana	P/T	ANC/PR	10	08	03
2.Cllr. T. Faku	P/T	ANC/WC		06	05
3.Cllr.L. B. Mbuzi	P/T	ANC/WC		07	04
4. Cllr. V. Mbhekwa	P/T	ANC/WC		09	02
5. Cllr. C.N. Matyeni	P/T	ANC/WC		09	02
6.Cllr. N. Sobazile	P/T	ANC/PR		09	02
7. Cllr J. M. Valikho	P/T	ANC/WC		11	0
8. Cllr. C. N. Mfingwana	P/T	ANC/PR		09	02
9.Cllr S. P. Sobhoyi	P/T	EFF/PR		08	03
10.Cllr N. Madikizela	P/T	Traditional Leader		06	05
11. Cllr M.E. Mapholoba	P/T	ANC/WC		11	0

CORPORATE SERVICES STANDING COMMITTEE

Name & Surname	Full Time / PT	Political Org/ Prop-PR/Ward	No. of committee meetings planned	No. of attended including Specials	Absent
1.Cllr. M.S. Maphetshana	Fulltime	ANC/ PR	09	9	0
2. Cllr. L.G Mcambalala	P/T	ANC/ WC		8	1
3.Cllr. E. Voko	P/T	ANC/ PR		9	0
4.Cllr. O. Nofemele	P/T	ANC/ WC		6	3
5.Cllr S.M. Faku	P/T	ANC/ WC		4	2
6.Cllr. S. Maphasi	P/T	ANC/WC		6	3
7. Cllr. N. Bhengu	P/T	ANC /WC		4	4
8.Cllr. M. Msindo	P/T	ANC/WC		7	2
9.Cllr. M. Mpofana	P/T	ANC/WC		9	0
10. Chief. R.T. Maquthu	P/T	Traditional leader		5	4

SPATIAL PLANNING AND DEVELOPMENT STANDING COMMITTEE

Initials & Surname	Full Time / PT	Political Org / Prop -PR/Ward Cllr	No. of Committee meetings planned	No. of Attended incl. Specials	Absent
1.Cllr. N. Hlebo	F/T	ANC/WC	10	3	4
2.Cllr L. T. Somadlangathi	F/T	ANC / WC		3	0
3, Cllr Z. Mhlwazi	P/T	ANC /WC		3	0
3.Cllr P.N Mfingwana	P / T	ANC/ PR		6	1
4.Cllr N.C Cengimbo	P/T	ANC / WC		7	0
5. Cllr S.M Faku	P/T	ANC / WC		3	0
6.Cllr N. Cwele	P/T	ACU /PT		4	3
7. Cllr Z. Mashiyi	P/T	ANC /WC		7	0
8.Cllr V. Sotubhu	P/T	ANC /WC		3	4
9.Cllr Y. Mfana	P/T	ANC /WC		6	1
10. Cllr N. Sikithi	P/T	ANC /PR		5	2
11. Cllr M.J Ndesi	P/T	DA /PR		5	2
12. Cllr. A.M. Specman	P/T	EFF/PR		3	0
13.Chief N. Sontsele	P/T	Traditional leader		5	2
14. Chief N. Nontlanga	P/T	Traditional leader		2	1

BUDGET & TREASURY OFFICE STANDING COMMITTEE

Name & Surname	Full Time / PT	Political Org/ Prop-PR/Ward Cllr	No. of committee meetings planned	No. of attended including Specials	Absent
1.Cllr L. Makholosa	Fulltime	ANC/PR	11	7	1
2. Cllr R.T. Nkomo-Khela	P/T	ANC/PR		3	
3.Cllr M. Qumba	P/T	ANC/Ward Cllr		7	1
4.Cllr. M.R Dlamini	P/T	ANC/Ward Cllr.		6	2
5. Cllr Nangamso. Madikizela	P/T	ANC/WC		6	2
6.Cllr N. Bhengu	P/T	ANC/ Ward Cllr		5	3
7.Cllr I. Sabuka	P/T	ACU/ PR		1	7
8.Cllr N. Sipatala	P/T	ACU/ PR		6	2
9. Chief N. Sigcau	P/T	Traditional leader		5	3
10. Cllr. N.C. Mfingwana	P/T	DA/PR		0	3

GOOD GOVERNANCE, SPU & INTERGOVERNMENTAL RELATIONS STANDING COMMITTEE

Initials & Surname	Full Time / PT	Political Org / Prop-PR/Ward Cllr	No. of Committee meetings planned.	No. of meetings Attended Incl. Specials	Absent
1.Cllr Z. Mhlwazi	P/T	ANC-WC	10	3	2
2. Cllr N. Giyama-Bhongwana	P/T	ANC-PR		4	1
3. Cllr M. M. Manyathela	P/T	ANC-WC		3	2
4.Cllr M. Mbele	P/T	ANC-WC		5	0
5. Cllr N. Mgozana	P/T	ANC-PR		4	1
6.Cllr O. Nofemele	P/T	ANC-WC		3	-
7.Cllr Nikiwe Madikizela	P/T	AIC /PR		4	1
8. Cllr B. Luwele	P/T	ANC-WC		4	1
9.Chief T. Mjanyelwa	P/T	Traditional Leader		3	2

B. Third Tier Management Structure

Department	Name of Manager	Job Title
Office of The Municipal Manager	1.Mrs S.Majova	Manager: Municipal Operations
	2. Mr.M.S.Mngomeni	Manager: Legal Services
	3.Mr.N.Mgxiva	Manager: Internal Audit
	4.Ms.N.Ngejane	Manager: Executive Support
	5.Mr.T.Cwibi	Manager: Communications
Corporate Services	6.Mr.Z.S.Jojimali	Manager : HR
	7.Mr .M. Nqwazi	Manager: ICT
Budget and Treasury	8.Ms. Z. Mehlo	Manager: Budgeting & Reporting
	9.Mr.S.Morlock	Manager: Revenue & Expenditure
	10.Mr.Z. Khala	Manager: SCM
Development Planning	11.Mr.A.Mashaba	Manager: Land Use
	12.Ms.N.Gxumisa	Manager: LED

Department	Name of Manager	Job Title
Community Services	13.Ms N.Xoko	Manager: Social & Community Services.
	14.Mr.D.Luphoko	Manager: Community Safety
Engineering Services	15.Mr.S.Songca	Manager: Operations & Maintenance
	16.Mr.L.Gana	Manager: MIG
	17. Mr V. Mqina	Electricity Superintendent



C. Municipal Functions

FUNCTION	ANDM	MLM
SCHEDULE 4 PART B		
Air pollution	X	
Building regulations		X
Child care facilities		X
Electricity reticulation	X	X
Fire fighting Services	X	X
Local tourism	X	X
Municipal airports		
Municipal planning	X	X
Municipal Health Services	X	
Municipal Public Transport		
Pontoons and Ferries		
Storm water		X
Trading regulations		X
Water (potable)	X	
Sanitation	X	
SCHEDULE 5 PART B		
Beaches and amusement facilities	X	
Billboards and the display of adverts in public places		X
Cemeteries, Crematoria and funeral parlours		X
Cleansing		X
Control of public nuisances		X
Control of undertakings that sell liquor to the public		X
Facilities for the accommodation, care and burial of animals		X

FUNCTION	ANDM	MLM
Fencing and fences	X	
Licensing of dogs		X
Licensing and control of undertakings that sell food to the public		X
Local amenities		X
Local sport facilities		X
Markets		X
Municipal abattoirs		X
Municipal parks and recreation		X
Municipal roads		X
Noise pollution		X
Pounds		X
Public places		X
Refuse removal, refuse dumps and solid waste disposal		X
Street trading		X
Street lighting		X
Traffic and parking		X
Disaster Management	X	X (Devolved Function)

A. Ward Reporting

Ward Committees Establishment and Functionality

Mbizana Local Municipality has thirty one wards and each ward is expected to have ward committees not exceeding ten ward committees. Before the end of 2017/18 financial year Mbizana Municipality had 310 ward committees, 100% of ward committees were inducted. Functionality of ward committee meetings is measured by the submission of monthly reports. Those meetings are chaired by the Ward Councillors and assisted by councillor support assistant. Issues discussed find expression on standing committee sittings. Monthly reports of ward committees form proof of activities that the ward committees have been engaged in. In terms of feedback ward councillors are responsible for feedback to the ward committees and community meetings held quarterly which attendance registers are submitted to the office as proof of the said sittings.

WAR ROOMS: OPERATION MASIPHATHISANE

The programme of Operation Masiphathisane” was received and started operating in 31 wards of Mbizana local municipality and so far we have established and launched the following ward war rooms; Ward 01,02,03,04, 05, 06, , 08, 09, 10, 11,12,13,14,19,31,14,15,17,19,23,24,27and 31. Ready to be launched war rooms are ward: 16, 18, 20, 21, 22, 25, 26, 28, 29 and 30. All wards have developed the monthly sitting schedule and are using the community halls and schools as venues and the compiled list of stakeholders is available at the war room as well as war room register to write cases and progress on those cases.

D. Audit Corrective Action Plan

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18						
No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
Commitments						
	Commitments not adjusted for VAT increase with effect from 1 April 2018	Lack of review by management to ensure accuracy of the amount disclosed	Management should ensure that proper reviews are done on the VAT figure disclosed in the financial statements such that it complies with the changes in VAT	To find an automated solution to manage contracts and commitments as to avoid or limit errors		
	Commitments not adjusted for VAT increase with effect from 1 April 2018	Lack of review by management to ensure accuracy of the amount disclosed	Management should ensure that proper reviews are done on the VAT figure disclosed in the financial statements such that it complies with the changes in VAT	Review of all contracts awarded prior the period of 01 April 2018 to determine the contract to be adjusted awarded amounts to cater the 1% vat and issue adjusted letters of appointments	SCM Manager	31-Jan-19
Employee Costs						
	Monthly Reconciliations not done	Incomplete integration setup of the payroll and accounting systems	Management must ensure that the payroll reconciliation is done every month to ensure			

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18						
No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
			that reconciling items are cleared			
Leases						
	Operating lease asset - Incorrect balance disclosed	Lack of management review of the supporting information to the AFS	The municipality must ensure that all calculations made are properly reviewed for accuracy.		Manager: Budgeting and Reporting	
Receivables						
	Invalid debtors raised	Lack of proper review of the age analysis	Checks and reviews of the age analysis	Continuous review and validation of General valuation roll in terms of change in ownership	Manager: Revenue and Expenditure	
	Invalid debtors raised	Lack of proper review of the age analysis	Checks and reviews of the age analysis	Verify existence of all the debtors accounts against deeds data, land audit reports, beneficiary list, supplementary valuations, land sales list	Manager: Revenue and Expenditure	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	Invalid debtors raised	Lack of proper review of the age analysis	Checks and reviews of the age analysis	Fast track the issuing of tittles deeds of all billable customers and alignment of extension 2 Erf numbers	Manager: Town Planning and Land use Management	
	Invalid debtors raised	Lack of proper review of the age analysis	Checks and reviews of the age analysis	Develop a complete fixed data base for the electricity customers and refuse customers that will be used to verify the completeness of accounts to be billed for both electricity and refuse		
	Debt impairment overstated	Impairment factor used to calculate impairment does not agree to the impairment factor calculation as prescribed by the debt impairment policy	Management should apply the prescribed provisions per the debt impairment policy when calculating the debt impairment provision	Updating of the age analysis categories to match those of the National Treasury in Munsoft	Manager: Budgeting and Reporting	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	Overpayment of Councillors not assessed for impairment	Impairment policy does not cater for this category of receivables	Municipality should develop a policy for impairment of debtors relating to employees	Implement the law as allowed in MSA with regards to councillors debts and employee debts to recover outstanding monies	CFO	
Payables						
	Incorrect valuation of retention	Lack of proper controls over the calculation of retentions.	Management to prepare financial reports that are accurate, complete and supported by reliable information	Develop a Policy for retention	CFO	
	Incorrect valuation of retention	Lack of proper controls over the calculation of retentions.	Management to prepare financial reports that are accurate, complete and supported by reliable information	Include other user departments on reviews of Retention register	Manager: Revenue and Expenditure	
	Incorrect valuation of retention	Lack of proper controls over the calculation of retentions.	Management to prepare financial reports that are accurate, complete and supported by reliable information	Adopt Uniform structure of payment certificate	Manager: Project Management Unit	
	Contractor overpaid retention	Lack of proper controls over the	Management to prepare financial reports that are accurate, complete and	To confirm every retention payments	Manager: Revenue and Expenditure	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
		calculation of retentions.	supported by reliable information	against retention held before payment		
	Contractor overpaid retention	Lack of proper controls over the calculation of retentions.	Management to prepare financial reports that are accurate, complete and supported by reliable information	Call the service provider to come and sign acknowledgement of debt	Manager: Revenue and Expenditure	31-Jan-19
Revenue						
	Incorrect rate used	Lack of controls to ensure that rate per customer is as per the tariff policy.	Management must ensure that before the rate uploaded on the system are correctly according to customer category		CFO	
	No indigent register to monitor provision of free basic services	poor collection of data from the different wards that is used to compile the register	Management should ensure data collection is improved within the municipality in order to ensure that there is an audit trail to easily retrieve information required	Finalization of the indigent register	Manager: Environmental Services	
	Payables from Exchange transactions understated (payments received in advance)	Misinterpretation or lack of understanding of mSCOA requirements	Management should ensure that there are adequate levels of review of financial records		Legal Services manager	
Movable assets						

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18						
No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	Useful lives not in line with Capital Asset Management Guidelines	Time constraints are the reason for the non-compliance and failure to implement the Capital Asset Management Guidelines of 2008	It is recommended that management approach the office of the Accountant General at Treasury to motivate useful lives different than the prescribed minimum and maximum in term of the Local Government Capital Asset Management Guideline of 2008.		CFO	
MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18						
No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
AOPO						
	Road maintenance plan not developed	Poor planning	Management should ensure that condition assessment is improved within the municipality in order to ensure that there is an audit trail to easily retrieve information when required	Development of the roads maintenance plan	Manager: Operations and Maintenance	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18						
No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	The municipality does not have a roads masterplan	Poor planning	Management should ensure that condition assessment is improved within the municipality in order to ensure that there is an audit trail to easily retrieve information when required	Development of the roads master plan	Senior Manager: Engineering Services	
	The municipality does not have a backlog register	Poor planning	Management should ensure that condition assessment is improved within the municipality in order to ensure that there is an audit trail to easily retrieve information when required	Development of a backlog register	Senior Manager: Engineering Services	
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	Ensuring revised planning documents are properly aligned	Manager: Municipal Operations	
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	Annual performance report to be reviewed and signed off by Senior Managers	Manager: Municipal Operations	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	Standard formats for completion certificates that will include assurance by engineer should be adopted by ENGS	Senior Manager: Engineering Services	
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	Both ESKOM and Municipal information/invoiced must be submitted as means of verification for FBE/FBS	Senior Manager: Community Services	
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	Unbundling indicators to avoid incomplete reporting	Manager: Municipal Operations	
	Annual performance report does not agree to supporting documentation	Lack of management review of the supporting information to the annual report	that the actual achievement is reported as such in the Annual Performance Report and is supported with valid documentation	EPWP should be reported as accumulative by the responsible department as resolved by council	Senior Manager: Engineering Services	

MBIZANA LOCAL MUNICIPALITY AUDIT ACTION PLAN - 2017/18

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
	Projects taking longer to complete than initially planned	Lack of project monitoring	Develop mechanisms for project management and implementation	Engineering services to utilise an external eye in terms of monitoring service providers/ projects through the assistance of MISA	Senior Manager: Engineering Services	
	Projects taking longer to complete than initially planned	Lack of project monitoring	Develop mechanisms for project management and implementation	Recording of projects that will spill over other financial years as such	PMU Manager	

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
Employee Costs						
	Management did not establish a performance system for all staff	Non-compliance with laws and regulations	The municipality should ensure that the system is fast tracked and addressed.	Conclusion of performance agreements and work plans should have been done	Manager: Human Resources	31-Dec-18
	Management did not establish a performance system for all staff	Non-compliance with laws and regulations	The municipality should ensure that the system is fast tracked and addressed.	Senior Managers should see to it that work plans and performance agreements for all task grades 12 and 16	Manager: Human Resources	11-Jan-19

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
				within their departments are executed		
	Management did not establish a performance system for all staff	Non-compliance with laws and regulations	The municipality should ensure that the system is fast tracked and addressed.	Corporate Services to rollout PMS to all employees of the institution	Manager: Human Resources	31-Mar-19
	Key position vacant for more than a year	Ineffective Human Resource management to ensure appropriately skilled personnel are recruited	Implement effective Human resource management practices	The position to be abolished from the municipality's organisation structure	Senior Manager: Corporate Services	31-Dec-18
	No reasonable steps taken to prevent fruitless and wasteful expenditure	Lack of mechanisms to monitor compliance with laws	Management must ensure that payments are made on time so as to avoid interest,	To create a central email for submission of invoice	Manager: IT	
	No reasonable steps taken to prevent fruitless and wasteful expenditure	Lack of mechanisms to monitor compliance with laws	Management must ensure that payments are made on time so as to avoid interest,	Expenditure to be recovered from responsible managers and senior managers	CFO	
	Reasonable steps not taken to prevent unauthorised expenditure	Improper budgeting techniques	Management must ensure that municipality's budget takes into account all possible permutations and	Depreciation and asset impairment to be reallocated to correct functions during the adjustment budget	Manager: Budgeting and Reporting	

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Responsible person (Entity)	Due date
			that expenditure is in line with the budget in order to avoid unauthorised expenditure			
	Reasonable steps not taken to prevent unauthorised expenditure	Improper budgeting techniques	Management must ensure that municipality's budget takes into account all possible permutations and that expenditure is in line with the budget in order to avoid unauthorised expenditure	Submissions to be requested from departments of all assets that might be transferred to include in the correct functions in the budget	Manager: Budgeting and Reporting	
	Unauthorised expenditure incurred in the prior year not addressed			prepare a report to be submitted to council addressing prior year Unauthorised expenditure and processes followed to get the decision, before 31 January 2019	CFO	31-Jan-19

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Due date
IT Governance					
	The municipality had an IT strategic plan which was approved in 2014 and did not align to the IDP	Non-adherence to legislation	Management should review strategic plans annually to ensure alignment and relevance	IT strategic plan and IDP Alignment – to be Resolved by 29th March 2019. SCM already has a Request to Procure Services of an ISA Certified Service Provider	
	The municipality had an IT strategic plan which was approved in 2014 and did not align to the IDP			IT Steering committee which consists of directors to be appointed by the MM in January 2019 with the first sitting in 3rd Qtr of Fin-Year 2018/19	
	The municipality had an IT strategic plan which was approved in 2014 and did not align to the IDP			Information Security Officer (ISO) - To get an Appointment letter Signed by the MM Delegating the Security to the ICT Manger in January 2019	
IT Security Management					
	The IT Security policy was approved by council on the 20 July 2016 as an update to the existing policy, however the following was noted			The IT Security Policy and IT Service Continuity Update will be part of the update by the Service provider appointed to work on ICT Policies Scheduled to start in January 2019	
Programme Change Management					

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Due date
	ICT management had formally designed and implemented change management controls (policies and procedures) to mitigate the risk of unauthorised changes made to the systems (Munsoft and VIP)			All Systems to be fully Managed at IT – All new systems to form part of IT Strategy	
	ICT management had formally designed and implemented change management controls (policies and procedures) to mitigate the risk of unauthorised changes made to the systems (Munsoft and VIP)			Ensure all Changes are Authorised on all Systems	
IT Service Continuity					
	The Backup strategy formed part of the ICT infrastructure policy and deficiencies were Noted			Introduce Responsibility Matrix for Segregation of Duties. (key Departments BTO and Corporate Services for Payroll and Financial Systems before 2 March 2018)	
User Account Management					

No	Issues identified	Root cause	AG recommendation	Remedial Actions/Corrective Measures.	Due date
	For the VIP system: Assurance could not be provided that users who requested access in the year under review were authorised			Request for Internal Audit to conduct this exercise on the 3rd Quarter to Ensure that we Comply and have room to do corrective measures.	



E. Audit Committee Recommendation

Audit Committee Report for 2017/18- Mbizana Local Municipality

Purpose

To report to Council on matters legislated by Section 166 of the Local Government Municipal Finance and Management Act, Act 56 of 2003.

Legislative Requirements

Section 166 of the MFMA prescribes that each Municipality and each municipal entity shall have an Audit committee. It goes on to define the audit committee as an independent advisory body which must do the following duties:

- (i) Advise the Municipal council, the political office bearers, the accounting officer and the management staff of the municipality relating to;
 - a. Internal Financial Controls and internal audits;
 - b. Risk Management;
 - c. Appropriateness of accounting policies;
- (ii) Adequacy, reliability and accuracy of financial reporting and information
- (iii) Performance management and evaluation
- (iv) Effective governance;
- (v) Compliance with this act, the Annual Division of revenue Act and other applicable Legislation.
- (vi) Review the financial statements to provide a credible view of the financial position, results and cash flows of the municipality; and
- (vii) Advise management and Council on any issues raised by the Auditor General.

Review of Internal Controls

The review of the effectiveness of the system of internal controls by the Audit Committee is informed by reports submitted by external audit, internal audit and management. The Audit Committee also oversees the risk management function which was informed by the risk register and the risk report prepared by the internal audit unit. The development and maintenance of an effective internal control system is the responsibility of management. The Audit Committee has drawn the attention of management to significant issues that have been raised in the management report of the Auditor General and Internal Audit Reports. The Audit Committee maintained its vigilance on the property, plant and equipment to ensure improvement on previously reported weaknesses. The Audit Committee assessed the system of internal control in place and found it partially adequate especially on the management of fixed assets and compliance with Supply Chain Management regulations.

The following areas were covered by internal audit during the year under review:

Predetermined Objectives/ Quarterly Performance Information
Financial Management – Commitments and Irregular Expenditure
Revenue Management
Human Resources
Annual Financial Statements
Legal and Regulatory compliance

The following issues were raised as matters of emphasis:

- Restatement of corresponding figures;
- Material Losses;
- Material impairments;
- Irregular Expenditure; and

- Unauthorised Expenditure.

Effectiveness of Internal Audit

The internal audit component has functioned optimally in terms of its internal audit charter in supporting the mandate of the Mbizana Local Municipality. The internal audit services have a limited capacity considering the staff compliment and the expiry of the co-sourcing arrangement. The internal audit unit depicted improvement on the projects implemented in terms of the quality of reports and also conducted advisory services.

Audit Committee Functionality

Mbizana Local Municipality during the financial year (2017-18) had a fully functional Audit Committee which was set up in accordance with the prescripts of the (MFMA) Municipal Finance Management Act, No. 56 of 2003. The Committee comprised of five independent members, who were not employees

of the Municipality, nor were they political office bearers.

Mbizana Local Municipality during the financial year (2017-18) had a fully functional Audit Committee which was set up in accordance with the prescripts of the (MFMA) Municipal Finance Management Act, No. 56 of 2003. The Committee comprised of five independent members, who were not employees of the Municipality, nor were they political office bearers.

The following are the details of the Audit Committee members as summarised below:

Name	Designation	No of meetings attended
Temba Zakuza	Audit Committee Chairperson	4 of 4
Ashley Gonzalves	Deputy Chairperson: Audit Committee	4 of 4
Kokela Sigendu	Audit Committee Member	2 of 4
Thobekile Mjekevu	Audit Committee Member	4 of 4
Mziwoxolo Mavuso	Audit Committee Member	4 of 4

The Municipality continues to strive for improvement of its financial performance and responds positively to advice by the committee.


T. Zakuza
Audit Committee Chairman

F. Revenue Collection Performance by Source

MBIZANA L M : MONTHLY BILLING & RECEIPTS (including VAT)

YEAR ENDING: 30 June 2018

INCOME TYPE	JULY	AUGUST	SEPTEMBER	1st QUARTER	OCTOBER	NOVEMBER	DECEMBER	2nd QUARTER	JANUARY	FEBRUARY	MARCH	3rd QUARTER	APRIL	MAY	JUNE	4th QUARTER	ANNUAL
RATES																	
billed	12 987 048	609 009	611 397	14 207 454	611 397	618 907	618 907	1 849 211	618 907	618 907	618 907	1 856 722	618 907	618 907	618 907	1 856 722	19 770 109
payment received	532 817	284 566	815 327	1 632 710	4 512 151	709 480	626 932	5 848 562	595 111	322 088	618 907	1 536 106	582 928	255 368	2 924 480	3 762 776	12 780 154
% of billing received	4%	47%	133%	11%	738%	115%	101%	316%	96%	52%	100%	83%	94%	41%	473%	203%	65%
ELECTRICITY																	
billed	1 972 495	1 867 216	1 678 104	5 517 814	1 739 450	1 748 263	1 672 406	5 160 119	2 107 555	1 826 179	1 909 207	3 933 735	1 859 897	1 869 585	1 837 064	3 729 482	18 341 150
payment received	1 806 192	1 769 455	2 046 312	5 621 958	2 051 748	1 464 394	1 788 104	5 304 247	1 495 307	1 611 113	1 908 826	5 015 246	3 119 933	1 275 868	2 321 339	6 717 140	22 658 591
% of billing received	92%	95%	122%	102%	118%	84%	107%	103%	71%	88%	100%	127%	168%	68%	126%	180%	124%
LEASEHOLD FEES																	
billed	62 546	57 132	57 132	176 809	97 316	97 138	43 173	237 627	70 238	70 238	70 477	210 953	70 477	70 477	36 140	177 094	591 530
payment received	32 478	59 525	54 112	146 116	54 112	133 961	27 065	215 138	27 047	71 652	278 760	377 459	28 957	67 670	69 564	166 191	904 904
% of billing received	52%	104%	95%	83%	56%	138%	63%	91%	39%	102%	396%	179%	41%	96%	192%	94%	153%
VAT																	
billed	298 866	284 581	268 600	852 047	282 900	283 616	265 933	832 449	330 643	280 977	313 540	925 160	306 489	307 759	297 773	912 021	3 521 678
payment received	264 430	263 812	301 638	829 879	306 876	253 669	274 374	834 919	236 814	247 130	264 263	748 207	468 665	214 040	373 176	1 055 882	3 468 887
% of billing received	88%	93%	112%	97%	108%	89%	103%	100%	72%	88%	84%	81%	153%	70%	125%	116%	99%
INTEREST																	
billed	257 780	357 112	353 757	968 650	306 647	306 065	308 063	920 775	310 805	316 927	317 554	945 286	307 278	336 807	311 760	955 845	3 790 556
payment received	21 304	17 187	16 752	55 243	322 359	69 309	38 568	430 235	34 462	37 485	315 532	387 479	47 458	39 183	282 104	368 746	1 241 702
% of billing received	8%	5%	5%	6%	105%	23%	13%	47%	11%	12%	99%	41%	15%	12%	90%	39%	33%
REFUSE REMOVAL																	
billed	99 719	238 977	240 477	579 173	281 273	109 352	109 352	499 976	109 352	110 575	110 575	330 501	112 884	111 661	111 943	336 488	1 746 138
payment received	53 711	57 148	50 092	160 952	86 823	65 655	78 119	230 596	92 463	81 036	108 836	282 335	63 622	91 210	105 404	260 236	934 119
% of billing received	54%	24%	21%	28%	31%	60%	71%	46%	85%	73%	98%	85%	56%	82%	94%	77%	53%
TOTAL INCOME																	
billed	15 678 454	3 414 027	3 209 467	22 301 948	3 318 983	3 163 341	3 017 834	9 500 158	3 547 501	3 223 804	3 340 260	8 202 357	3 275 933	3 315 196	3 213 587	7 967 652	47 761 162
payment received	2 710 933	2 451 693	3 284 232	8 446 857	7 334 068	2 696 467	2 833 161	12 863 697	2 481 204	2 370 504	3 495 124	8 346 832	4 311 563	1 943 341	6 076 067	12 330 970	41 988 357
% of billing received	17%	72%	102%	38%	221%	85%	94%	135%	70%	74%	105%	102%	132%	59%	189%	155%	88%

G. Conditional Grants

Description	2017/18 Adjusted Budget	2018/19 Budget	2019/20 Budget
EQUITABLE SHARES	197 681 000	230 525 000	254 380 000
FINANCIAL MANAGEMENT GRANT	2 145 000	2 215 000	2 215 000
MIG	58 119 100	45 045 200	45 943 900
MIG - OPERATIONAL	3 058 900	2 370 800	2 418 100
ELECTRIFICATION GRANT	34 000 000	25 030 000	21 700 000
MSIG	0	0	0
DEDEAT GRANT - ALIEN PLANTS	0	0	0
EPWP GRANT	1 704 000	2 335 000	0





Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

General Information

Nature of business and principal activities

Mbizana Local Municipality provides the following services:

Electricity

Solid Waste

Mayoral committee

Mayor

T.D. Mafumbatha

Speaker

S. Magini

Chief whip

M.C. Mpetshwa

Executive committee

L. Makholosa

Z. Mhlwazi

N. Dlamini

R.T. Nkomo- Khwela

M.S. Maphetshana

N.N. Mhlelembana

L.T. Somadlangathi

I.M . Sabuka

A.M. Spelman



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

General Information

Councillors

E. Voko

N.E. Cengimbo

F.N. Sobazile

N. Sikiti

N. Mgozane

N. Sikibi

N. Giyama-Bongwana

N. Mavundla

R.N. Madikizela

P.N. Mfingwana

F. Mbuyelwa

J. M. Valiko

V. Mbhekwa

B. Luwele

N.C. Cengimbo

M. Mbele

L.B. Mbuzi



C.N. Matyeni

Z. Mashiya

M.S. Msindo

S.M. Faku

Y.N. Mfana

V. Sotubhu

L.G. Mcambalala

M. Mapholoba

M. Mpofana

M. Qumba

M.J. Dekede

M.M. Manyathela

N. Bengu

S.A. Maphasa

N. Dayimani

N. Hlebo

M. Ndovela

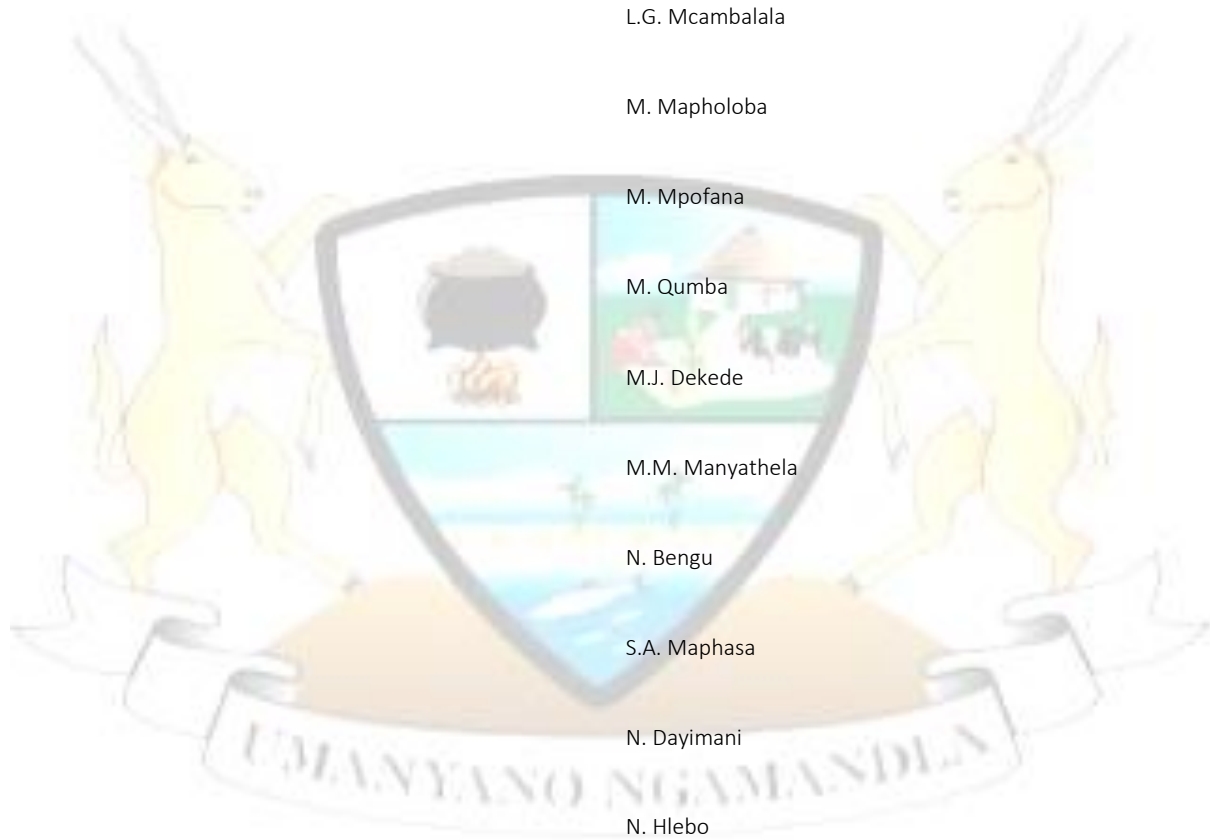
A.I. Guqaza

M.R. Dlamini

B.A. Jalubane

N. Madikizela

T. Faku



S. Ngoninni

M.J. Ndesi

C.N. Mfingwana

S.P. Sobhoyi

N. Langasiki

N. Madikizela

N. Sipatala

L. Nqodi

N. Cwele

L. Silangwe

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Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

General Information

Grading of local authority Grade 04

Accounting Officer L Mahlaka

Chief Finance Officer (CFO) ZA Zukulu

Registered office 51 Winnie Madikizela-Mandela Street

Business address 51 Winnie Madikizela-Mandela Street

Postal address P.O. Box 12

Bankers First National Bank

Attorneys N.Z Mtshabe

Ndobela and Lamola Attorneys

Le Roux Attorneys

Credit Intelligence (PTY)Ltd

Jafta Inc

Vuyani Gwebindlala

Mbabane and Sokutu

Gcaweni Shabalala Inc

Prenesha Sugudhav/Sewpersadh

Auditors

Auditor General of South Africa

Registered Auditors



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Index

The reports and statements set out below comprise the audited annual financial statements presented to the municipal council:

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Cash Flow Statement	9
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COID

Compensation for Occupational Injuries and Diseases

CRR

Capital Replacement Reserve

DBSA

Development Bank of South Africa

SA GAAP

South African Statements of Generally Accepted Accounting Practice

GRAP

Generally Recognised Accounting Practice

GAMAP

Generally Accepted Municipal Accounting Practice

HDF

Housing Development Fund

IAS	International Accounting Standards
IMFO	Institute of Municipal Finance Officers
IPSAS	International Public Sector Accounting Standards
ME's	Municipal Entities
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act (No. 56 of 2003)
MIG	Municipal Infrastructure Grant (Previously CMIP)
mSCOA	Municipal Standard Chart of Accounts



Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the municipality as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

I am responsible for the preparation of these annual financial statements, which are set out on the pages to follow in terms of s126(1) of the MFMA and which I have signed on behalf of the municipality.

I certify that the salaries, benefits and allowances as disclosed in notes 29 and 30 of these financial statements are within the upper limits of the framework envisioned in section 219 of the Constitution, read with the Remuneration of Public Office Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the municipality and placed considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the municipality and all employees are required to maintain the highest ethical standards in ensuring the municipality's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the municipality is on identifying, assessing, managing and monitoring all known forms of risk across the municipality. While operating risk cannot be fully eliminated, the municipality endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The accounting officer is of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements, however, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the municipality's cash flow forecast for the year to 30 June 2019 and, in the light of this review and the current financial position, he is satisfied that the municipality has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are engaged to express an independent opinion on the municipality's annual financial statements. The annual financial statements set out on pages 6 to 85, which have been prepared on the going concern basis, were approved by the accounting officer on 31 August 2018 for submission for audit and were signed on its behalf by:

Mr L Mahlaka

Municipal Manager



Non-Current Liabilities

Provisions

Statement of Financial Position as at 30 June 2018

Total Liabilities

Figures in Rand

Note(s)

Net Assets

Accumulated surplus

Assets**Current Assets**

Inventories	9
Operating lease asset	7
Other receivables from exchange transactions	10
Receivables from non-exchange transactions	11
VAT receivable	12
Prepayments	8
Receivables from exchange transactions	13
Cash and cash equivalents	14

Non-Current Assets

Investment property	3
Property, plant and equipment	4
Intangible assets	6
Heritage assets	5

Total Assets**Liabilities**

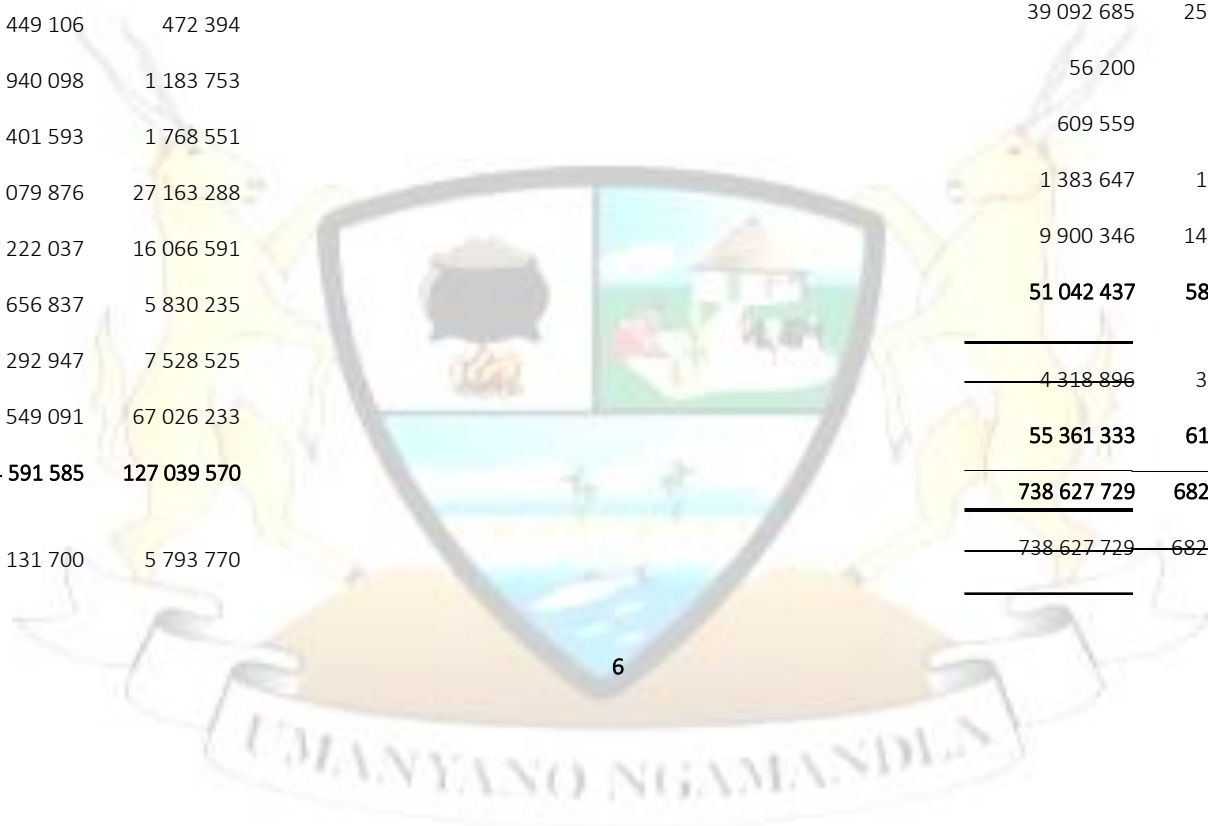
* See Note 44

Current Liabilities

DBSA loan	17&52
Payables from exchange transactions	18
Transfers received in advance (non-exchange)	
Consumer deposits	19
Unspent conditional grants and receipts	15
Provisions	16

		611 260 745	608 497 905
		774 233	1 468 838
		1 230 799	1 230 799
		619 397 477	616 991 312
		793 989 062	744 030 882
2018	2017 Restated*		

		-	16 273 890
449 106	472 394	39 092 685	25 592 417
940 098	1 183 753	56 200	-
2 401 593	1 768 551	609 559	458 815
26 079 876	27 163 288	1 383 647	1 534 958
27 222 037	16 066 591	9 900 346	14 290 885
13 656 837	5 830 235	51 042 437	58 150 965
9 292 947	7 528 525	4 318 896	3 585 447
94 549 091	67 026 233	55 361 333	61 736 412
174 591 585	127 039 570	738 627 729	682 294 470
6 131 700	5 793 770	738 627 729	682 294 470



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Statement of Financial Performance

Government grants & subsidies

Fines, Penalties and Forfeits

Figures in Rand

	Total revenue
	from non-
	exchange
	transactions
	Total revenue
Revenue	
Revenue from exchange transactions	Expenditure
Service charges	Employee related costs
Rental of facilities and equipment	Remuneration of councillors
Agency services	Depreciation and amortisation
Commissions received	Finance costs
Recoveries	Lease rentals on operating lease
Other income	Debt Impairment
Interest received	Bulk purchases
Fair value adjustments	Contracted services
Total revenue from exchange transactions	Grants related expenditure
Revenue from non-exchange transactions	Loss on disposal of assets and liabilities
Taxation revenue	General Expenses
Property rates	Total expenditure
Licences or Permits (Non-exchange)	Surplus for the year
Transfer revenue	

				(85 766 271)	(84 017 677)
				32	(22 484 810) (19 648 747)
				34	(38 974 830) (39 229 322)
				35	(726 560) (2 168 113)
					(2 558 538) -
				33	(2 505 730) (1 109 848)
				38	(27 760 875) (27 606 329)
				55	(60 102 022) (11 616 361)
				37	(189 620) (15 072 440)
				30	(33 979 849) (7 675 799)
				29	(55 597 122) (70 019 312)
					(330 646 227) (278 163 948)
					56 007 154 44 312 531
Note(s)	2018	2017			
		Restated*			
22	30 831 422	29 904 275			
26	655 942	470 216			
27	1 150 355	842 878			
	114 787	100 249			
	3 883 964	-			
25	755 504	1 050 999			
24	11 223 543	10 554 299			
54	337 930	132 270			
	48 953 447	43 055 186			
21	19 942 068	20 255 597			
	2 296 218	2 446 270			
23	313 815 633	255 556 626			
28	1 646 015	1 162 800			
	337 699 934	279 421 293			
20	386 653 381	322 476 479			
31					

* See Note 44

Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus	Total net assets
Opening balance as previously reported	634 615 244	634 615 244
Adjustments		
Prior year adjustments	3 366 695	3 366 695
Balance at July 1, 2016 as restated*	637 981 939	637 981 939
Surplus/(Deficit) for the year	44 312 531	44 312 531
Total changes	44 312 531	44 312 531
Restated balance at 30 June 2017	682 294 572	682 294 572
Prior year adjustments	326 003	326 003
Balance at 01 July 2017 as restated*	682 620 575	682 620 575
Surplus/(Deficit) for the year	56 007 154	56 007 154
Total changes	56 007 154	56 007 154
Balance at 30 June 2018	738 627 729	738 627 729

Note(s)

* See Note 44

Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Cash Flow Statement

	Note(s) 2018	2017	Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services			
Grants			
Interest income			
Payments			
Employee costs			
Suppliers			
Finance costs			
Net cash flows from operating activities			
Cash flows from investing activities			
Purchase of property, plant and equipment			
Proceeds from sale of property, plant and equipment			
Purchases of heritage assets			
Net cash flows from investing activities			
Cash flows from financing activities			

(726 560) (2 168 113)

(255 174 551) (227 397 224)

49 050 432 40 929 761

313 720 522 254 137 070

11 223 543 10 554 299

39 **118 819 946 78 223 906**

373 994 497 305 621 130

4 (75 808 467) (83 546 289)

4 785 270 20 148

5 - (452 358)

(108 251 081) (103 666 424)

(146 196 910) (121 562 687)

(75 023 197) (83 978 499)

Repayment of DBSA loan

(16 273 890) (24 126 110)

Net cash flows from financing activities

(16 273 890) (24 126 110)

Net increase/(decrease) in cash and cash equivalents

27 522 859 (29 880 703)

Cash and cash equivalents at the beginning of the year

67 026 233 96 906 936

Cash and cash equivalents at the end of the year

14 **94 549 092 67 026 233**

* See Note 44



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	31 696 202	(378 801)	31 317 401	30 831 422	(485 979)	Appendix E1
Rental of facilities and equipment	765 346	90 960	856 306	655 942	(200 364)	Appendix E1
Interest received (trading)	1 774 844	2 022 109	3 796 953	-	(3 796 953)	
Agency services	863 128	305 910	1 169 038	1 150 355	(18 683)	
Commissions received	-	-	-	114 787	114 787	
Recoveries	-	-	-	3 883 964	3 883 964	
Other income - (rollup)	1 078 389	397 224	1 475 613	755 504	(720 109)	
Interest received	6 158 820	1 369 057	7 527 877	11 223 543	3 695 666	Appendix E1
Total revenue from exchange transactions	42 336 729	3 806 459	46 143 188	48 615 517	2 472 329	
Revenue from non-exchange transactions						

Taxation revenue

Property rates	22 341 792	-	22 341 792	19 942 068	(2 399 724)	Appendix E1
Licences or Permits (Non-exchange)	2 372 440	(201 169)	2 171 271	2 296 218	124 947	

Transfer revenue

Government grants & subsidies	204 938 900	(2 458 892)	202 480 008	205 434 866	2 954 858	Appendix E1
Fines, Penalties and Forfeits	822 521	1 102 414	1 924 935	1 646 015	(278 920)	Appendix E1

Total revenue from non-exchange transactions

230 475 653	(1 557 647)	228 918 006	229 319 167	401 161
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Total revenue

272 812 382	2 248 812	275 061 194	277 934 684	2 873 490
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Expenditure

Personnel	(107 441 676)	4 923 920	(102 517 756)	(85 766 271)	16 751 485	Appendix E1
Remuneration of councillors	(21 502 263)	(920 188)	(22 422 451)	(22 484 810)	(62 359)	Appendix E1
Depreciation and amortisation	(46 010 536)	-	(46 010 536)	(38 974 830)	7 035 706	Appendix E1
Finance costs	(1 574 701)	-	(1 574 701)	(726 560)	848 141	Appendix E1
Lease rentals on operating lease	-	-	-	(2 558 538)	(2 558 538)	
Debt Impairment	(1 995 000)	-	(1 995 000)	(2 505 730)	(510 730)	Appendix E1
Bulk purchases	(31 303 017)	-	(31 303 017)	(27 760 875)	3 542 142	Appendix E1
Contracted Services	(35 119 294)	(3 293 044)	(38 412 338)	(60 102 022)	(21 689 684)	
Transfers and Subsidies	(11 209 307)	8 829 303	(2 380 004)	(189 620)	2 190 384	Appendix E1
Sale of goods/Inventory	(88 200)	(6 968 504)	(7 056 704)	-	7 056 704	
Loss on disposal of assets	-	(38 693 551)	(38 693 551)	(33 979 849)	4 713 702	
General Expenses	(44 471 178)	(8 242 766)	(52 713 944)	(55 597 122)	(2 883 178)	Appendix E1

Total expenditure

(300 715 172)	(44 364 830)	(345 080 002)	(330 646 227)	14 433 775
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Operating deficit

(27 902 790)	(42 116 018)	(70 018 808)	(52 711 543)	17 307 265
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Transfers recognised-capital contributions	113 800 100	1 558 888	115 358 988	108 380 767	(6 978 221)	Appendix E1
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Fair value adjustments	-	-	-	337 930	337 930	Appendix E1
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Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Surplus before taxation	85 897 310	(40 557 130)	45 340 180	56 007 154	10 666 974	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	85 897 310	(40 557 130)	45 340 180	56 007 154	10 666 974	

Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Position						
Assets						
Current Assets						
Inventories	325 500	-	325 500	449 106	123 606	
Operating lease asset	1 237 381	-	1 237 381	940 098	(297 283)	
Other receivables from exchange transactions	11 141 449	-	11 141 449	2 401 592	(8 739 857)	
Receivables from non-exchange transactions	-	-	-	26 079 876	26 079 876	
VAT receivable	-	-	-	27 222 037	27 222 037	
Prepayments	-	-	-	13 656 837	13 656 837	
Consumer debtors	15 214 415	-	15 214 415	9 292 947	(5 921 468)	
Cash and cash equivalents	63 525 438	(21 999 456)	41 525 982	94 549 091	53 023 109	
	91 444 183	(21 999 456)	69 444 727	174 591 584	105 146 857	
Non-Current Assets						
Investment property	6 956 775	-	6 956 775	6 131 700	(825 075)	
Property, plant and equipment	678 899 892	22 734 530	701 634 422	611 260 745	(90 373 677)	
Intangible assets	1 770 730	-	1 770 730	774 233	(996 497)	

Heritage assets	-	-	-	1 230 799	1 230 799
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	687 627 397	22 734 530	710 361 927	619 397 477	(90 964 450)
Total Assets	779 071 580	735 074	779 806 654	793 989 061	14 182 407
Liabilities					
Current Liabilities					
Payables from exchange transactions	19 331 770	-	19 331 770	39 092 685	19 760 915
Taxes and transfers payable (non-exchange)	-	-	-	56 200	56 200
Consumer deposits	263 231	-	263 231	609 559	346 328
Unspent conditional grants and receipts	-	-	-	1 383 647	1 383 647
Provisions	1 237 105	-	1 237 105	9 900 346	8 663 241
	20 832 106	-	20 832 106	51 042 437	30 210 331
Non-Current Liabilities					
Provisions	6 765 829	-	6 765 829	4 318 896	(2 446 933)
Total Liabilities	27 597 935	-	27 597 935	55 361 333	27 763 398
Net Assets	751 473 645	735 074	752 208 719	738 627 728	(13 580 991)
Net Assets					
Net Assets Attributable to Owners of Controlling Entity					
Reserves					
Accumulated surplus	751 473 645	735 074	752 208 719	738 627 728	(13 580 991)

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Cash Flow Statement						
Cash flows from operating activities						
Receipts						
Ratepayers and other	55 624 700	1 354 567	56 979 267	49 050 432	(7 928 835)	
Government - operating	204 938 900	(2 558 892)	202 380 008	205 179 475	2 799 467	
Interest income	7 933 663	3 366 143	11 299 806	11 223 543	(76 263)	
Government - capital	113 800 100	1 558 888	115 358 988	108 541 047	(6 817 941)	
	382 297 363	3 720 706	386 018 069	373 994 497	(12 023 572)	
Payments						
Employee costs	(128 943 939)	(4 002 732)	(132 946 671)	(108 251 082)	24 695 589	
Suppliers	(111 775 489)	(9 705 050)	(121 480 539)	(146 196 910)	(24 716 371)	
Finance costs	(1 574 701)	-	(1 574 701)	(726 560)	848 141	
Transfers and grants	(11 209 307)	8 829 303	(2 380 004)	-	2 380 004	
	(253 503 436)	(4 878 479)	(258 381 915)	(255 174 552)	3 207 363	
Net cash flows from operating activities	128 793 927	(1 157 773)	127 636 154	118 819 945	(8 816 209)	

Cash flows from investing activities

Purchase of property, plant and equipment	(115 202 431)	(22 534 516)	(137 736 947)	(75 808 467)	61 928 480
Proceeds from sale of property, plant and equipment	-	-	-	785 270	785 270

Net cash flows from investing activities	(115 202 431)	(22 534 516)	(137 736 947)	(75 023 197)	62 713 750
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Cash flows from financing activities

Repayment of dbsa loan	(15 399 459)	-	(15 399 459)	(16 273 890)	(874 431)
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Net increase/(decrease) in cash and cash equivalents	(1 807 963)	(23 692 289)	(25 500 252)	27 522 858	53 023 110
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Cash and cash equivalents at the beginning of the year	65 333 401	1 692 832	67 026 233	67 026 233	-
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Cash and cash equivalents at the end of the year	63 525 438	(21 999 457)	41 525 981	94 549 091	53 023 110
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Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised Variance expenditure	Actual outcome as % of final budget	Actual outcome as % of original budget
2018										
Financial Performance										
Property rates	22 341 795	-	22 341 795			22 341 795	19 942 068	(2 399 727)	89 %	89 %
Service charges	31 696 202	(378 801)	31 317 401			31 317 401	30 831 422	(485 979)	98 %	97 %
Investment revenue	6 158 818	1 369 058	7 527 876			7 527 876	11 223 543	3 695 667	149 %	182 %
Transfers recognised - operational	204 938 900	(2 458 892)	202 480 008			202 480 008	202 507 207	27 199	100 %	99 %
Other own revenue	7 676 677	3 720 449	11 397 126			11 397 126	10 840 715	(556 411)	95 %	141 %
Total revenue	272 812 392	2 251 814	275 064 206			275 064 206	275 344 955	280 749	100 %	101 %

(excluding capital
transfers and
contributions)

Employee costs	(107 441 676)	4 922 920	(102 518 756)	-	-	(102 518 756)	(85 766 271)	-	16 752 485	84 %	80 %
Remuneration of councillors	(21 502 263)	(920 188)	(22 422 451)	-	-	(22 422 451)	(22 484 811)	-	(62 360)	100 %	105 %
Debt impairment	(1 995 000)	-	(1 995 000)	-	-	(1 995 000)	(2 505 730)	-	(510 730)	126 %	126 %
Depreciation and asset impairment	(46 010 536)	-	(46 010 536)	-	-	(46 010 536)	(38 974 830)	-	7 035 706	85 %	85 %
Finance charges	(1 574 701)	-	(1 574 701)	-	-	(1 574 701)	(726 560)	-	848 141	46 %	46 %
Materials and bulk purchases	(32 185 017)	(6 174 704)	(38 359 721)	-	-	(38 359 721)	(27 760 875)	-	10 598 846	72 %	86 %
Transfers and grants	(11 209 307)	8 829 303	(2 380 004)	-	-	(2 380 004)	(189 620)	-	2 190 384	8 %	2 %
Other expenditure	(81 585 472)	(50 229 361)	(131 814 833)	-	-	(131 814 833)	(152 237 531)	-	(20 422 698)	115 %	187 %
Total expenditure	(303 503 972)	(43 572 030)	(347 076 002)	-	-	(347 076 002)	(330 646 228)	-	16 429 774	95 %	109 %
Surplus/(Deficit)	(30 691 580)	(41 320 216)	(72 011 796)	-	-	(72 011 796)	(55 301 273)	-	16 710 523	77 %	180 %

Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised Variance expenditure	Actual outcome as % of final budget	Actual outcome as % of original budget
Transfers recognised - capital	113 800 100	1 558 088	115 358 188	-		115 358 188	111 308 426	(4 049 762)	96 %	98 %
Surplus (Deficit) after capital transfers and contributions	83 108 520	(39 762 128)	43 346 392	-		43 346 392	56 007 153	12 660 761	129 %	67 %
Surplus/(Deficit) for the year	83 108 520	(39 762 128)	43 346 392	-		43 346 392	56 007 153	12 660 761	129 %	67 %

Capital expenditure and funds sources

Total capital expenditure	115 202 431	22 734 526	137 936 957		137 936 957	75 808 467		(62 128 490)	55 %	66 %
Sources of capital funds										
Transfers recognised - capital	98 400 100	(1 480 000)	96 920 100		96 920 100	59 628 279		(37 291 821)	62 %	61 %
Internally generated funds	16 802 331	24 214 530	41 016 861		41 016 861	16 180 188		(24 836 673)	39 %	96 %
Total sources of capital funds	115 202 431	22 734 530	137 936 961		137 936 961	75 808 467		(62 128 494)	55 %	66 %



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Appropriation Statement

Figures in Rand

	Original budget	Budget adjustments (i.t.o. s28 and budget s31 of the MFMA)	Final adjustments	Shifting of funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. council approved policy)	Final budget	Actual outcome	Unauthorised expenditure	Variance	Actual outcome as % of final budget	Actual outcome as % of original budget
Cash flows											
Net cash from (used) operating	128 793 926	(1 157 772)	127 636 154			127 636 154	118 819 946		(8 816 208)	93 %	92 %
Net cash from (used) investing	(115 202 431)	(22 534 515)	(137 736 946)			(137 736 946)	(75 023 197)		62 713 749	54 %	65 %
Net cash from (used) financing	(15 399 458)	-	(15 399 458)			(15 399 458)	(16 273 890)		(874 432)	106 %	106 %
Net	(1 807 963)	(23 692 287)	(25 500 250)			(25 500 250)	27 522 859		53 023 109	(108)%	(1 522)%

increase/(decrease) in

cash and cash

equivalents

Cash and cash

equivalents at the

beginning of the year

Cash and cash

equivalents at year

end

65 333 401

1 692 832

67 026 233

-

67 026 233

67 026 233

-

100 %

103 %

63 525 438

(21 999 455)

41 525 983

-

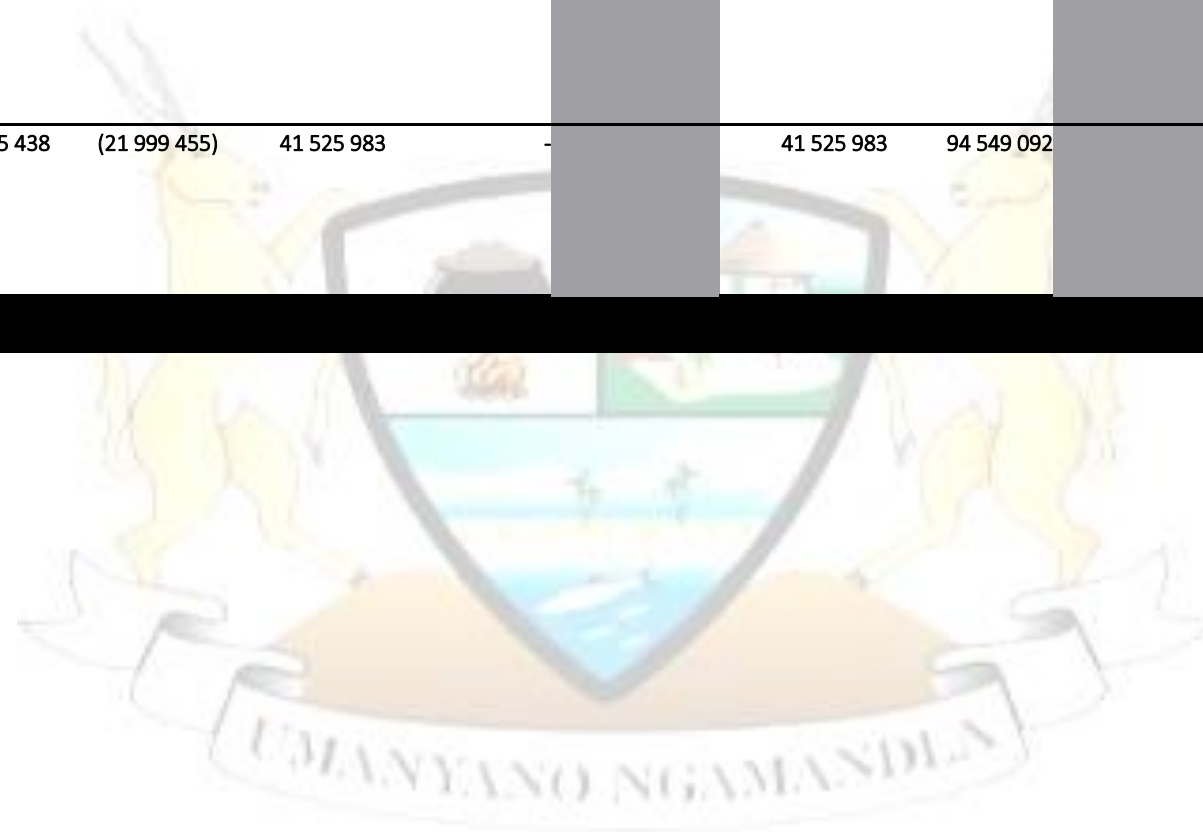
41 525 983

94 549 092

(53 023 109)

228 %

149 %



Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Accounting Policies

1. Presentation of Audited Annual Financial Statements

The audited annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These audited annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

In the absence of an issued and effective Standard of GRAP, accounting policies for material transactions, events or conditions were developed in accordance with paragraphs 8, 10 and 11 of GRAP 3 as read with Directive 5.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these audited annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Presentation currency

These audited annual financial statements are presented in South African Rand, which is the functional currency of the municipality.

1.2 Going concern assumption

These audited annual financial statements have been prepared based on the expectation that the municipality will continue to operate as a going concern for at least the next 12 months.

1.3 Significant judgements and sources of estimation uncertainty

In preparing the audited annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the audited annual financial statements and related disclosures. Use of available information and the application of judgement

is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited annual financial statements. Significant judgements include:

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the municipality is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The municipality uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the end of the reporting period.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the municipality for similar financial instruments.



Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the key assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of goodwill and tangible assets.

The municipality reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. In addition, goodwill is tested on an annual basis for impairment. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors together with economic factors such as exchange rates and inflation interest.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 16 - Provisions.

Allowance for doubtful debts

On debtors an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

Provision for Rehabilitation of landfill site

The municipality has an obligation to rehabilitate its landfill sites in terms of its license stipulations. Provision is made for this obligation based on the size / extent of the land to be rehabilitated, site water balance, the rehabilitation cost, the monitoring and the rehabilitation period.

Provisions, contingent liabilities and contingent assets

Management's judgement is required when recognising and measuring provisions, as well as when measuring contingent liabilities and contingent assets as set out in note 15 of the financial statements. Provisions are discounted where the effect is material.

Depreciation and Amortization

Depreciation and amortization recognised on property plant and equipment and intangible assets are determined with reference to the useful lives and residual values of the underlying items. The useful lives and residual values of assets are based on management's estimation of the asset's condition, expected condition at the end of the period of use, its current use, expected, expected future use and the municipality's expectations about the availability of finance to replace the asset at the end of its useful life.

1.4 Investment property

Investment property is property (land or a building - or part of a building - or both) held to earn rentals or for capital appreciation or both, rather than for:

- ☐ use in the production or supply of goods or services or for
- ☐ administrative purposes, or
- ☐ sale in the ordinary course of operations.

Owner-occupied property is property held for use in the production or supply of goods or services or for administrative purposes.

Investment property is recognised as an asset when, it is probable that the future economic benefits or service potential that are associated with the investment property will flow to the municipality, and the cost or fair value of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Accounting Policies

1.4 Investment property (continued)

Where investment property is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

The fair value of investment property reflects market conditions at the reporting date.

A gain or loss arising from a change in fair value is included in net surplus or deficit for the period in which it arises.

If the municipality determines that the fair value of an investment property under construction is not reliably determinable but expects the fair value of the property to be reliably measurable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed (whichever is earlier). If the municipality determines that the fair value of an investment property (other than an investment property under construction) is not reliably determinable on a continuing basis, the municipality measures that investment property using the cost model (as per the accounting policy on Property, plant and equipment). The residual value of the investment property is then assumed to be zero. The municipality applies the cost model (as per the accounting policy on Property, plant and equipment) until disposal of the investment property.

Once the municipality becomes able to measure reliably the fair value of an investment property under construction that has previously been measured at cost, it measures that property at its fair value. Once construction of that property is complete, it is presumed that fair value can be measured reliably. If this is not the case, the property is accounted for using the cost model in accordance with the accounting policy on Property, plant and equipment.

Investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits or service potential are expected from its disposal.

Gains or losses arising from the retirement or disposal of investment property is the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in surplus or deficit in the period of retirement or disposal.

Compensation from third parties for investment property that was impaired, lost or given up is recognised in surplus or deficit when the compensation becomes receivable.

The nature OR type of properties classified as held for strategic purposes are as follows:

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- ☐ it is probable that future economic benefits or service potential associated with the item will flow to the municipality; and
- ☐ the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

Accounting Policies

1.5 Property, plant and equipment (continued)

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the production of inventories.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land	Straight line	Undefined
Buildings	Straight line	5 - 100 years

Furniture and fixtures	Straight line	2 - 26 years
Motor vehicles	Straight line	3 - 14 years
Office equipment	Straight line	3 - 26 years
IT equipment	Straight line	3 - 17 years
Infrastructure	Straight line	
☐ Roads, bridges and pavements		5 - 100 years
☐ Electricity, reticulation and supply		9 - 60 years
☐ Waste disposal facilities		7 - 30 years
☐ Storm water		40 - 100 years
☐ Traffic lights		10 years
☐ Landfill sites		15 - 30 years
☐ Metering Infrastructure credit		25 years
Community	Straight line	
☐ Cemeteries		10 - 30 years
☐ Community halls		25 - 50 years
☐ Housing scheme houses		15 years
☐ Recreational facilities		10 - 50 years
Plant and Machinery	Straight line	2 - 15 years
Other property, plant and equipment	Straight line	5 - 21 years
Park Facilities	Straight line	10 - 50 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the municipality. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

Accounting Policies

1.5 Property, plant and equipment (continued)

The municipality assesses at each reporting date whether there is any indication that the municipality expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the municipality revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

Assets which the municipality holds for rentals to others and subsequently routinely sell as part of the ordinary course of activities, are transferred to inventories when the rentals end and the assets are available-for-sale. Proceeds from sales of these assets are recognised as revenue. All cash flows on these assets are included in cash flows from operating activities in the cash flow statement.

The municipality separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).

1.6 Intangible assets

An asset is identifiable if it either:

- ② is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- ② arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the municipality or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- ☐ it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the municipality; and
- ☐ the cost or fair value of the asset can be measured reliably.

The municipality assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- ☐ it is technically feasible to complete the asset so that it will be available for use or sale.
- ☐ there is an intention to complete and use or sell it.
- ☐ there is an ability to use or sell it.
- ☐ it will generate probable future economic benefits or service potential.
- ☐ there are available technical, financial and other resources to complete the development and to use or sell the asset.
- ☐ the expenditure attributable to the asset during its development can be measured reliably.

Accounting Policies

1.6 Intangible assets (continued)

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software, other	Straight line	3 - 5 years

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.



Accounting Policies

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility.

A concessionary loan is a loan granted to or received by an entity on terms that are not market related.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an entity's statement of financial position.

A derivative is a financial instrument or other contract with all three of the following characteristics:

- ② Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the 'underlying').
- ② It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors.
- ② It is settled at a future date.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, an entity shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the entity shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

A financial asset is:

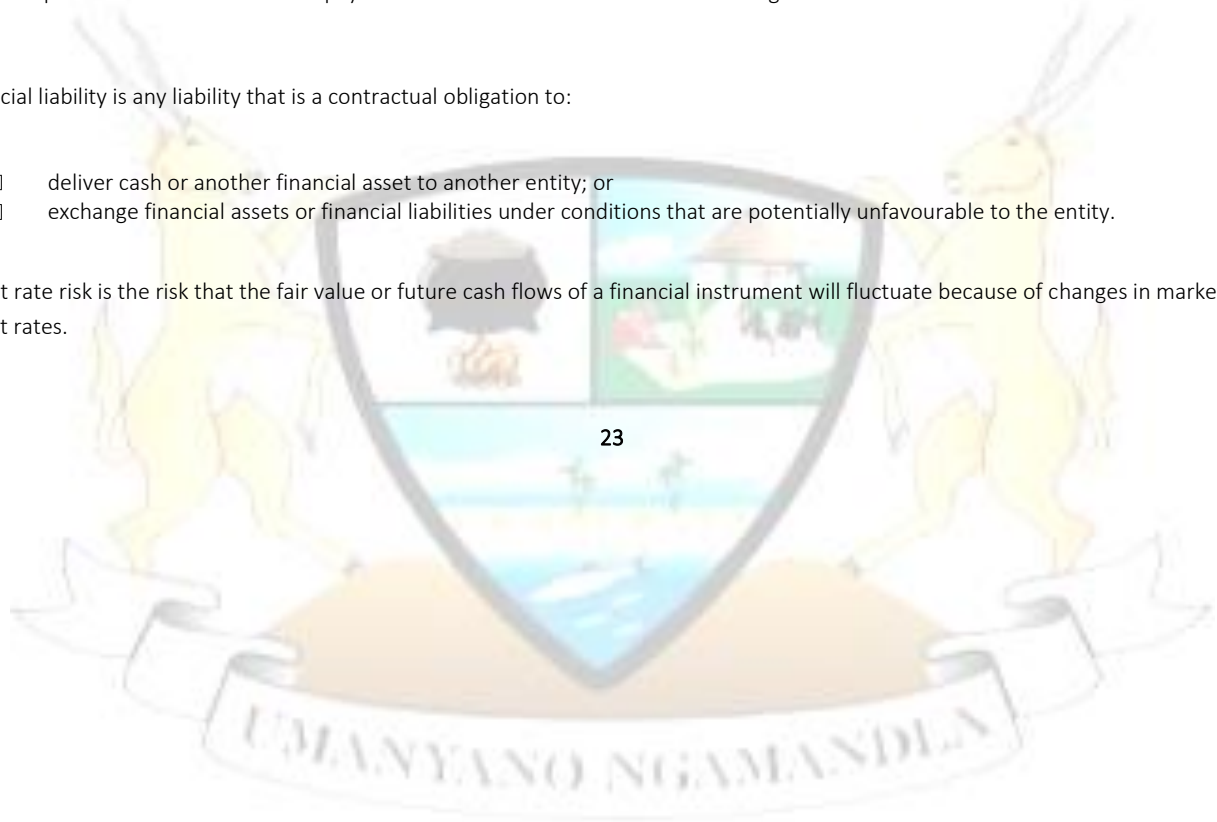
- ☐ cash;
- ☐ a residual interest of another entity; or
- ☐ a contractual right to:
 - receive cash or another financial asset from another entity; or
 - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

A financial liability is any liability that is a contractual obligation to:

- ☐ deliver cash or another financial asset to another entity; or
- ☐ exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.



Accounting Policies

1.7 Financial instruments (continued)

Liquidity risk is the risk encountered by an entity in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of an entity after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:

- ☐ equity instruments or similar forms of unitised capital;
- ☐ a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an entity's net assets, either before the contribution occurs or at the time of the contribution; or
- ☐ a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of an entity.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Financial instruments at amortised cost are non-derivative financial assets or non-derivative financial liabilities that have fixed or determinable payments, excluding those instruments that:

- ☐ the entity designates at fair value at initial recognition; or
- ☐ are held for trading.

Financial instruments at cost are investments in residual interests that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

Financial instruments at fair value comprise financial assets or financial liabilities that are:

- ② derivatives;
- ② combined instruments that are designated at fair value;
- ② instruments held for trading. A financial instrument is held for trading if:
 - it is acquired or incurred principally for the purpose of selling or repurchasing it in the near-term; or
 - on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit-taking;
 - non-derivative financial assets or financial liabilities with fixed or determinable payments that are designated at fair value at initial recognition; and
 - financial instruments that do not meet the definition of financial instruments at amortised cost or financial instruments at cost.

Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class

	Category
Call accounts	Financial asset measured at amortised cost
Trade and other receivables	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

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Accounting Policies

1.7 Financial instruments (continued)

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
DBSA Loan	Financial liability measured at amortised cost
Trade and other payables	Financial liability measured at amortised cost

Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The entity measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

The entity first assesses whether the substance of a concessional loan is in fact a loan. On initial recognition, the entity analyses a concessional loan into its component parts and accounts for each component separately. The entity accounts for that part of a concessional loan that is:

- ② a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- ② non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

Subsequent measurement of financial assets and financial liabilities

The entity measures all financial assets and financial liabilities after initial recognition using the following categories:

- ② Financial instruments at fair value.
- ② Financial instruments at amortised cost.
- ② Financial instruments at cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the entity establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a municipality calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date that the amount could be required to be paid.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

Accounting Policies

1.7 Financial instruments (continued)

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

Impairment and uncollectibility of financial assets

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The entity derecognises financial assets using trade date accounting.

The entity derecognises a financial asset only when:

- ② the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- ② the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- ② the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

If the entity transfers a financial asset in a transfer that qualifies for derecognition in its entirety and retains the right to service the financial asset for a fee, it recognise either a servicing asset or a servicing liability for that servicing contract. If the fee to be received is not expected to compensate the entity adequately for performing the servicing, a servicing liability for the servicing obligation is recognised at its fair value. If the fee to be received is expected to be more than adequate compensation for the servicing, a servicing asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

If, as a result of a transfer, a financial asset is derecognised in its entirety but the transfer results in the entity obtaining a new financial asset or assuming a new financial liability, or a servicing liability, the entity recognise the new financial asset, financial liability or servicing liability at fair value.

Accounting Policies

1.7 Financial instruments (continued)

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

If the transferred asset is part of a larger financial asset and the part transferred qualifies for derecognition in its entirety, the previous carrying amount of the larger financial asset is allocated between the part that continues to be recognised and the part that is derecognised, based on the relative fair values of those parts, on the date of the transfer. For this purpose, a retained servicing asset is treated as a part that continues to be recognised. The difference between the carrying amount allocated to the part derecognised and the sum of the consideration received for the part derecognised is recognised in surplus or deficit.

If a transfer does not result in derecognition because the entity has retained substantially all the risks and rewards of ownership of the transferred asset, the entity continues to recognise the transferred asset in its entirety and recognise a financial liability for the consideration received. In subsequent periods, the entity recognises any revenue on the transferred asset and any expense incurred on the financial liability. Neither the asset, and the associated liability nor the revenue, and the associated expenses are offset.

Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

Presentation

Interest relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Dividends or similar distributions relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Losses and gains relating to a financial instrument or a component that is a financial liability is recognised as revenue or expense in surplus or deficit.

Distributions to holders of residual interests are recognised by the entity directly in net assets. Transaction costs incurred on residual interests are accounted for as a deduction from net assets. Income tax [where applicable] relating to distributions to holders of residual interests and to transaction costs incurred on residual interests are accounted for in accordance with the International Accounting Standard on Income Taxes.

A financial asset and a financial liability are only offset and the net amount presented in the statement of financial position when the entity currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity does not offset the transferred asset and the associated liability.



Accounting Policies

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- ② distribution at no charge or for a nominal charge; or
- ② consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the municipality incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the municipality.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.10 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Commercial return means that positive cash flows are expected to be significantly higher than the cost of the asset.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- ② the period of time over which an asset is expected to be used by the municipality; or
- ② the number of production or similar units expected to be obtained from the asset by the municipality.

Judgements made by management in applying the criteria to designate assets as cash-generating assets or non-cash-generating assets, are as follows:

[Specify judgements made]

Identification

When the carrying amount of a cash-generating asset exceeds its recoverable amount, it is impaired.

The municipality assesses at each reporting date whether there is any indication that a cash-generating asset may be impaired. If any such indication exists, the municipality estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the municipality also test a cash-generating intangible asset with an indefinite useful life or a cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.



Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Value in use

Value in use of a cash-generating asset is the present value of the estimated future cash flows expected to be derived from the continuing use of an asset and from its disposal at the end of its useful life.

When estimating the value in use of an asset, the municipality estimates the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal and the municipality applies the appropriate discount rate to those future cash flows.

Basis for estimates of future cash flows

In measuring value in use the municipality:

- ② base cash flow projections on reasonable and supportable assumptions that represent management's best estimate of the range of economic conditions that will exist over the remaining useful life of the asset. Greater weight is given to external evidence;
- ② base cash flow projections on the most recent approved financial budgets/forecasts, but excludes any estimated future cash inflows or outflows expected to arise from future restructuring's or from improving or enhancing the asset's performance. Projections based on these budgets/forecasts covers a maximum period of five years, unless a longer period can be justified; and
- ② estimate cash flow projections beyond the period covered by the most recent budgets/forecasts by extrapolating the projections based on the budgets/forecasts using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. This growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used, unless a higher rate can be justified.

Composition of estimates of future cash flows

Estimates of future cash flows include:

- ② projections of cash inflows from the continuing use of the asset;
- ② projections of cash outflows that are necessarily incurred to generate the cash inflows from continuing use of the asset (including cash outflows to prepare the asset for use) and can be directly attributed, or allocated on a reasonable and consistent basis, to the asset; and
- ② net cash flows, if any, to be received (or paid) for the disposal of the asset at the end of its useful life.

Estimates of future cash flows exclude:

- ② cash inflows or outflows from financing activities; and
- ② income tax receipts or payments.

The estimate of net cash flows to be received (or paid) for the disposal of an asset at the end of its useful life is the amount that the municipality expects to obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the estimated costs of disposal.

Discount rate

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money, represented by the current risk-free rate of interest and the risks specific to the asset for which the future cash flow estimates have not been adjusted.



Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Recognition and measurement (individual asset)

If the recoverable amount of a cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

Any impairment loss of a revalued cash-generating asset is treated as a revaluation decrease.

When the amount estimated for an impairment loss is greater than the carrying amount of the cash-generating asset to which it relates, the municipality recognises a liability only to the extent that is a requirement in the Standard of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Cash-generating units

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the municipality determines the recoverable amount of the cash-generating unit to which the asset belongs (the asset's cash-generating unit).

If an active market exists for the output produced by an asset or group of assets, that asset or group of assets is identified as a cash-generating unit, even if some or all of the output is used internally. If the cash inflows generated by any asset or cash-generating unit are affected by internal transfer pricing, the municipality use management's best estimate of future price(s) that could be achieved in arm's length transactions in estimating:

- ② the future cash inflows used to determine the asset's or cash-generating unit's value in use; and
- ② the future cash outflows used to determine the value in use of any other assets or cash-generating units that are affected by the internal transfer pricing.

Cash-generating units are identified consistently from period to period for the same asset or types of assets, unless a change is justified.

The carrying amount of a cash-generating unit is determined on a basis consistent with the way the recoverable amount of the cash-generating unit is determined.

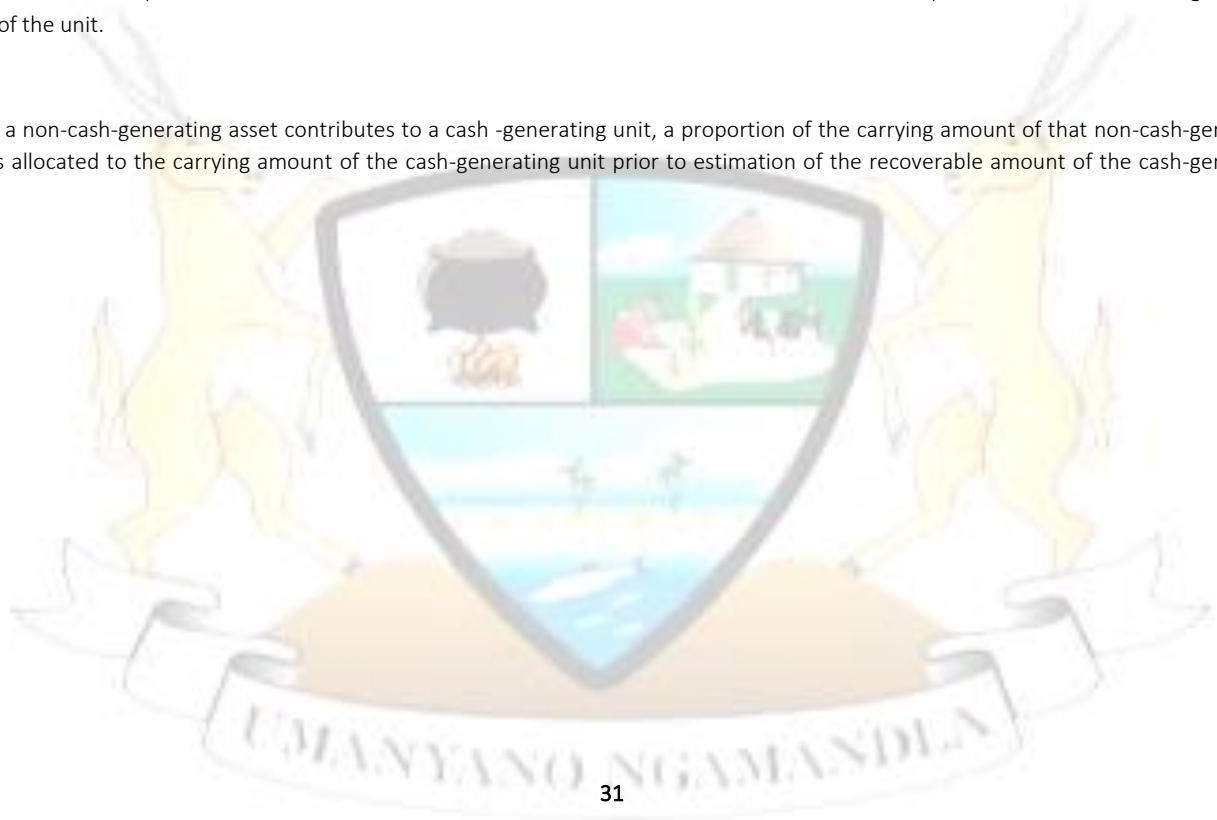
An impairment loss is recognised for a cash-generating unit if the recoverable amount of the unit is less than the carrying amount of the unit. The impairment is allocated to reduce the carrying amount of the cash-generating assets of the unit on a pro rata basis, based on the carrying amount of each asset in the unit. These reductions in carrying amounts are treated as impairment losses on individual assets.

In allocating an impairment loss, the municipality does not reduce the carrying amount of an asset below the highest of:

- ☐ its fair value less costs to sell (if determinable);
- ☐ its value in use (if determinable); and
- ☐ zero.

The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other cash-generating assets of the unit.

Where a non-cash-generating asset contributes to a cash -generating unit, a proportion of the carrying amount of that non-cash-generating asset is allocated to the carrying amount of the cash-generating unit prior to estimation of the recoverable amount of the cash-generating unit.



Accounting Policies

1.10 Impairment of cash-generating assets (continued)

Reversal of impairment loss

The municipality assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable amount of that asset.

An impairment loss recognised in prior periods for a cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the cash-generating asset is adjusted in future periods to allocate the cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

A reversal of an impairment loss for a cash-generating unit is allocated to the cash-generating assets of the unit pro rata with the carrying amounts of those assets. These increases in carrying amounts are treated as reversals of impairment losses for individual assets. No part of the amount of such a reversal is allocated to a non-cash-generating asset contributing service potential to a cash-generating unit.

In allocating a reversal of an impairment loss for a cash-generating unit, the carrying amount of an asset is not increased above the lower of:

- ② its recoverable amount (if determinable); and
- ② the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior periods.

The amount of the reversal of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit.

1.11 Employee benefits

Employee benefits are all forms of consideration given by an entity in exchange for service rendered by employees.

A qualifying insurance policy is an insurance policy issued by an insurer that is not a related party (as defined in the Standard of GRAP on Related Party Disclosures) of the reporting entity, if the proceeds of the policy can be used only to pay or fund employee benefits under a defined benefit plan and are not available to the reporting entity's own creditors (even in liquidation) and cannot be paid to the reporting entity, unless either:

- ② the proceeds represent surplus assets that are not needed for the policy to meet all the related employee benefit obligations; or
- ② the proceeds are returned to the reporting entity to reimburse it for employee benefits already paid.

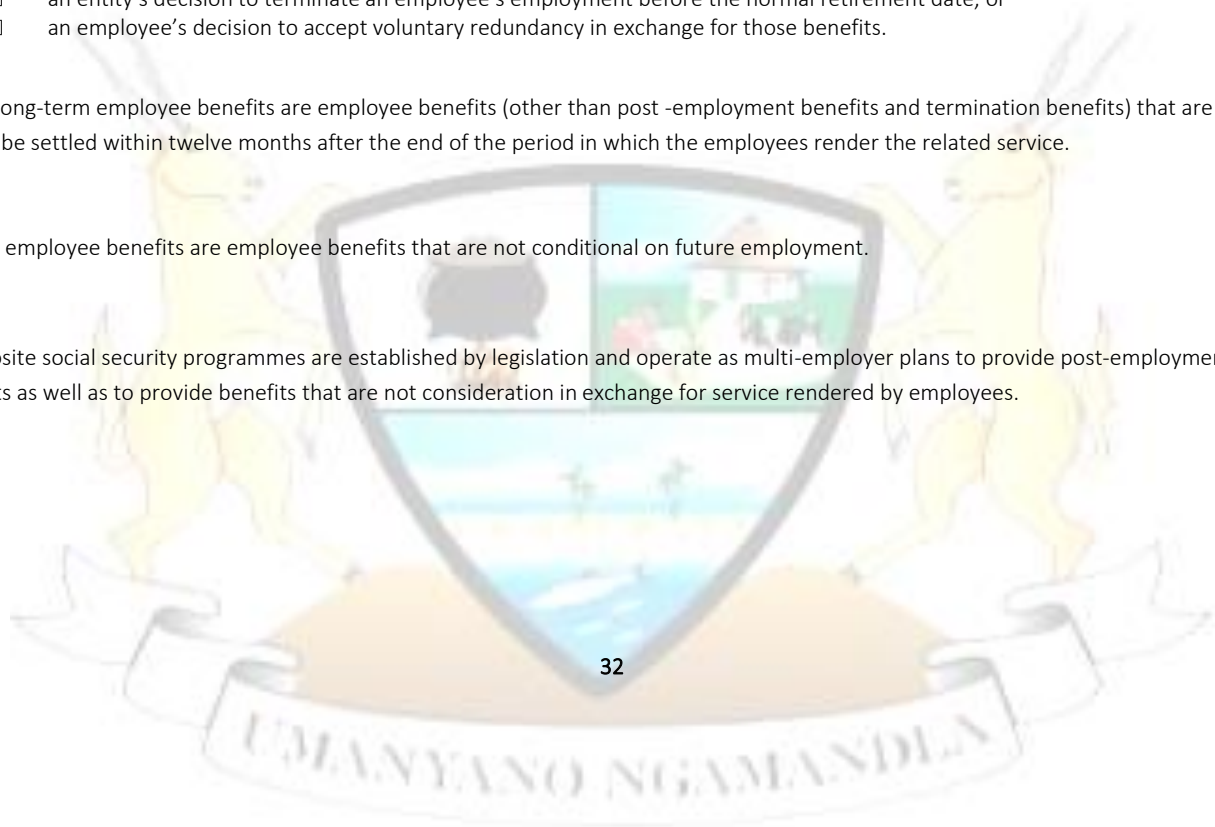
Termination benefits are employee benefits payable as a result of either:

- ② an entity's decision to terminate an employee's employment before the normal retirement date; or
- ② an employee's decision to accept voluntary redundancy in exchange for those benefits.

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that are not due to be settled within twelve months after the end of the period in which the employees render the related service.

Vested employee benefits are employee benefits that are not conditional on future employment.

Composite social security programmes are established by legislation and operate as multi-employer plans to provide post-employment benefits as well as to provide benefits that are not consideration in exchange for service rendered by employees.



Accounting Policies

1.11 Employee benefits (continued)

A constructive obligation is an obligation that derives from an entity's actions where by an established pattern of past practice, published policies or a sufficiently specific current statement, the entity has indicated to other parties that it will accept certain responsibilities and as a result, the entity has created a valid expectation on the part of those other parties that it will discharge those responsibilities.





Accounting Policies

1.11 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- ☐ wages, salaries and social security contributions;
- ☐ short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- ☐ bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- ☐ non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the municipality during a reporting period, the municipality recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- ☐ as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- ☐ as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the municipality expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The municipality recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make the payments.

Leave pay

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs. The municipality measures the expected cost of accumulating

compensated absences as the additional amount that the municipality expects to pay as result of the unused entitlement that has accumulated at the reporting date.

The liability is based on the total amount of leave days due to employees at reporting date and on basic salary of the employees.

Long service awards

The municipality provides long service awards to eligible employees, payable on completion of a certain number of years of employment. A provision is raised to account for the expected long service awards due to be paid in the preceding year

Annual Bonuses

The municipality recognise the expected cost of bonus, incentive and performance related payments only when the municipality has a present legal or constructive obligation to make such payments as a result of past events and if a reliable estimate of the obligation can be made. A present obligation exists when the municipality has no realistic alternative but to make payments.

The municipality pays out an annual bonus to its employees during the month of their birthday or annually from date of employment. A liability relating to the anticipated bonuses payable is raised and is based on the monthly basic salary of the individual.



Accounting Policies

1.12 Provisions and contingencies

Provisions are recognised when:

- ☐ the municipality has a present obligation as a result of a past event;
- ☐ it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- ☐ a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the municipality settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating surplus (deficit).

If a municipality has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- ☐ has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- ☐ has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- ☐ necessarily entailed by the restructuring; and
- ☐ not associated with the ongoing activities of the municipality

No obligation arises as a consequence of the sale or transfer of an operation until the municipality is committed to the sale or transfer, that is, there is a binding arrangement.

After their initial recognition contingent liabilities recognised in municipality combinations that are recognised separately are subsequently measured at the higher of:

- ☐ the amount that would be recognised as a provision; and
- ☐ the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 41.



Accounting Policies

1.12 Provisions and contingencies (continued)

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

The municipality recognises a provision for financial guarantees and loan commitments when it is probable that an outflow of resources embodying economic benefits and service potential will be required to settle the obligation and a reliable estimate of the obligation can be made.

Determining whether an outflow of resources is probable in relation to financial guarantees requires judgement. Indications that an outflow of resources may be probable are:

- ② financial difficulty of the debtor;
- ② defaults or delinquencies in interest and capital repayments by the debtor;
- ② breaches of the terms of the debt instrument that result in it being payable earlier than the agreed term and the ability of the debtor to settle its obligation on the amended terms; and
- ② a decline in prevailing economic circumstances (e.g. high interest rates, inflation and unemployment) that impact on the ability of entities to repay their obligations.

Where a fee is received by the municipality for issuing a financial guarantee and/or where a fee is charged on loan commitments, it is considered in determining the best estimate of the amount required to settle the obligation at reporting date. Where a fee is charged and the municipality considers that an outflow of economic resources is probable, a municipality recognises the obligation at the higher of:

- ② the amount determined using in the Standard of GRAP on Provisions, Contingent Liabilities and Contingent Assets; and
- ② the amount of the fee initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the Standard of GRAP on Revenue from Exchange Transactions.

Provision for rehabilitation of Landfill sites

The provision for rehabilitation of landfill sites relates to the legal obligation to rehabilitate landfill site used for waste disposal. It is calculated as the present value of the future obligation, discounted over an average period as determined by valuers.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.



Accounting Policies

1.13 Revenue from exchange transactions (continued)

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- ☐ the amount of revenue can be measured reliably;
- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- ☐ the stage of completion of the transaction at the reporting date can be measured reliably; and
- ☐ the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by the proportion that costs incurred to date bear to the total estimated costs of the transaction.

Service Charges-Electricity

Service charges relating to electricity are based on consumption. Meters are read on a monthly basis and are recognised as revenue when invoiced. Provisional estimates of consumption are made monthly when meter readings have not been performed. The provisional estimates of consumption are recognised as revenue when invoiced. Adjustments to provisional estimates of consumption are made in the invoicing period in which meters have been read. These adjustments are recognised as revenue in the invoicing period. The estimates of consumption between meter readings are based on average consumption. Revenue arising from consumption of electricity in the month of June is fully accounted for whether invoiced or not.

Prepaid electricity

Revenue from the sale of electricity prepaid meter cards and other services provided on pre-payment basis are recognised at the point of sale.

Refuse removal

Revenue relating to refuse removal is recognised on a monthly basis in arrears by applying the approved tariff to each property that has improvements. Tariffs are determined per category of property usage, and are levied monthly based on the recorded number of refuse containers per property.

Rental income

Revenue from the rental of facilities and equipment is recognised on a straight line basis over the term of the lease agreement.

Tariff charges

Revenue arising from the application of the approved tariff charges is recognised when the relevant service is rendered by applying the relevant gazetted tariff. This includes the issuing of licenses and permits.

Income from agency fees

Revenue arising out of situations where the municipality acts as an agent on behalf of another municipality (the principal) is limited to the amount of any fee or commission payable to the municipality as compensation for executing the agreed services.

Investment income



Accounting Policies

1.13 Revenue from exchange transactions (continued)

Revenue arising from the use by others of municipality assets yielding interest, is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality and the amount of the revenue can be measured reliably. Interest received is recognised, in surplus or deficit using the effective interest rate method.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- ☐ It is probable that the economic benefits or service potential associated with the transaction will flow to the municipality, and
- ☐ The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

Royalties are recognised as they are earned in accordance with the substance of the relevant agreements.

Dividends or similar distributions are recognised, in surplus or deficit, when the municipality's right to receive payment has been established.

Service fees included in the price of the product are recognised as revenue over the period during which the service is performed.

1.14 Revenue from non-exchange transactions

Non-exchange transactions are defined as transactions where the entity receives value from another entity without directly giving approximately equal value in exchange.

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Rates, including collection charges and penalties interest

Revenue from rates, including collection charges and penalty interest, is recognised when:

- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- ☐ the amount of the revenue can be measured reliably; and
- ☐ there has been compliance with the relevant legal requirements.

Changes to property values during a reporting period are valued by a suitably qualified valuator and adjustments are made to rates revenue, based on a time proportion basis. Adjustments to rates revenue already recognised are processed or additional rates revenue is recognised.



Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Fines

Revenue from the issuing of fines is recognised when:

- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality; and
- ☐ the amount of the revenue can be measured reliably.

The municipality has two types of fines: spot fines and summonses. There is uncertainty regarding the probability of the flow of economic benefits or service potential in respect of spot fines as these fines are usually not given directly to an offender. Further legal processes have to be undertaken before the spot fine is enforceable. In respect of summonses the public prosecutor can decide whether to waive the fine, reduce it or prosecute for non-payment by the offender. An estimate is made for the revenue amount collected from spot fines and summonses based on past experience of amounts collected. Where a reliable estimate cannot be made of revenue from summonses, the revenue from summonses is recognised when the public prosecutor pays over to the entity the cash actually collected on summonses issued.

Government grants

Government grants are recognised as revenue when:

- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality,
- ☐ the amount of the revenue can be measured reliably, and
- ☐ to the extent that there has been compliance with any restrictions associated with the grant.

The municipality assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt or when the Act becomes effective, whichever is earlier.

When government remit grants on a re-imbursement basis, revenue is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Other grants and donations

Other grants and donations are recognised as revenue when:

- ☐ it is probable that the economic benefits or service potential associated with the transaction will flow to the municipality;
- ☐ the amount of the revenue can be measured reliably; and
- ☐ to the extent that there has been compliance with any restrictions associated with the grant.

If goods in-kind are received without conditions attached, revenue is recognised immediately. If conditions are attached, a liability is recognised, which is reduced and revenue recognised as the conditions are satisfied.

Concessionary loans received

A concessionary loan is a loan granted to or received by a property, plant and equipment on terms that are not market related.

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non -exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Recovery of unauthorised, fruitless and wasteful expenditure

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures including those set out in the Municipal Finance Management Act (Act No. 56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain

Taxes

The Municipality accounts for Value Added Tax on the invoice basis. Revenue, expenses and assets are recognised net of the VAT amount. The net amount of VAT recoverable from or payable to the taxation authority is disclosed on the face of the statement of financial position.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

Borrowing costs are recognised as an expense in the period in which they are incurred.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

When the presentation or classification of items in the annual financial statements is amended prior period comparative amounts are also reclassified and restated unless such comparative reclassification and/or restatement is not required by a standard of GRAP. The nature and reason for such reclassifications and restatements are also disclosed.

Where material accounting errors which relate to prior periods have been identified in the current year, the correction is made retrospectively as far as practicable and the prior year comparatives are restated accordingly. Where there has been a change in accounting policy in the current year the adjustment is made retrospectively as far as is practicable and the prior year comparatives are restated accordingly.

The presentation and classification of items in the current year is consistent with the prior periods. Where there has been a reclassification or restatement the nature and reasons for the reclassification and restatement are disclosed in **note 40** 'Prior Period Errors' to the financial statements.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- ② overspending of a vote or a main division within a vote; and
- ② expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

Irregular expenditure as defined in section 1 of the MFMA is expenditure -

Accounting Policies

1.20 Irregular expenditure (continued)

- (a) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- (b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of this Act;
- (c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, (Act 20 of 1998);
Expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of MLM or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or

excludes expenditure by a municipality which falls within the definition of „unauthorised expenditure.

Irregular expenditure that was incurred and identified during the current financial and which was written-off before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

1.21 Conditional Grants and Receipts

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

1.22 Change in accounting policy, estimate and errors

Changes in accounting policy that are affected by management have been applied retrospectively in accordance with GRAP 3 except to the extent that it is impracticable to determine the period specific effects or the accumulative effect of the change in policy. In such cases the municipality restates the opening balances of assets and liabilities and net assets for the earliest period for which retrospective restatement is practicable. Details of the changes in accounting policy are disclosed in the notes to the annual financial statements where applicable.

Changes in accounting estimates are applied prospectively in accordance with GRAP 3 requirements. Details of changes in estimates are disclosed in the notes to the annual financial statements where applicable.

Correction of errors is applied retrospectively in the period in which the error has occurred in accordance with GRAP 3 except to the extent that it is impracticable to determine the period specific effects or the cumulative effects of the error. In such cases the municipality restates the opening balances of assets and liabilities and net assets for the earliest period for which retrospective treatment is practicable. Details of prior period errors are disclosed in note 40 of the financial statements where applicable.



Accounting Policies

1.23 Budget information

Municipality are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by municipality shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on a cash basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2017/07/01 to 2018/06/30.

The Statement of comparative and actual information has been included in the audited annual financial statements as the recommended disclosure when the audited annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

1.24 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Joint control is the agreed sharing of control over an activity by a binding arrangement, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers).

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Significant influence is the power to participate in the financial and operating policy decisions of an entity, but is not control over those policies.

Management are those persons responsible for planning, directing and controlling the activities of the municipality, including those charged with the governance of the municipality in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the municipality.

The municipality is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the municipality to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the municipality is exempt from the disclosures in accordance with the above, the municipality discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its audited annual financial statements.

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- ☐ those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- ☐ those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The municipality will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.



Accounting Policies

1.25 Events after reporting date (continued)

The municipality will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.26 Commitments

Items are classified as commitments when the municipality has committed itself to future transactions that will normally result in an outflow of resources embodying economic benefits or service potential. Commitments are not recorded in the statement of financial position as a liability, but are included in the disclosure notes in the following cases:

- ☐ Approved and contracted commitments
- ☐ where the expenditure has been approved and the contract has been awarded at the reporting date;
- ☐ where disclosure is required by a specific standard of GRAP

1.27 Heritage assets

Assets are resources controlled by a municipality as a result of past events and from which future economic benefits or service potential are expected to flow to the municipality.

Carrying amount is the amount at which an asset is recognised after deducting accumulated impairment losses.

Class of heritage assets means a grouping of heritage assets of a similar nature or function in a municipality's operations that is shown as a single item for the purpose of disclosure in the audited annual financial statements.

Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Standards of GRAP.

Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

An impairment loss of a cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable amount.

An impairment loss of a non-cash-generating asset is the amount by which the carrying amount of an asset exceeds its recoverable service amount.

An inalienable item is an asset that a municipality is required by law or otherwise to retain indefinitely and cannot be disposed of without consent.

Recoverable amount is the higher of a cash-generating asset's net selling price and its value in use.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Value in use of a cash-generating asset is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Value in use of a non-cash-generating asset is the present value of the asset's remaining service potential.

The municipality separately discloses expenditure to repair and maintain heritage assets in the notes to the financial statements (see note).

The municipality discloses relevant information relating to assets under construction or development, in the notes to the financial statements (see note).



Accounting Policies

1.27 Heritage assets (continued)

Recognition

The municipality recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the municipality, and the cost or fair value of the asset can be measured reliably.

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

After recognition as an asset, a class of heritage assets, whose fair value can be measured reliably, is carried at a revalued amount, being its fair value at the date of the revaluation less any subsequent impairment losses.

If a heritage asset's carrying amount is increased as a result of a revaluation, the increase is credited directly to a revaluation surplus. However, the increase is recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same heritage asset previously recognised in surplus or deficit.

If a heritage asset's carrying amount is decreased as a result of a revaluation, the decrease is recognised in surplus or deficit. However, the decrease is debited directly to a revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that heritage asset.

Impairment

The municipality assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the municipality estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The municipality derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is included in surplus or deficit when the item is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.28 Contingent assets and contingent liabilities

The municipality does not recognise contingent liabilities or contingent assets but discloses them.

A contingent liability is a possible outflow of resources embodying economic benefits or service potential that is subject to a future event.

A contingent asset is a possible inflow of resources embodying economic benefits or service potential that is subject to one or more uncertain future events beyond the control of the municipality.



2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The municipality has not applied the following standards and interpretations, which have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
GRAP 18 (as amended 2016): Segment Reporting	01 April 2019	Unlikely there will be a material impact
GRAP 20: Related parties	01 April 2019	Unlikely there will be a material impact
IGRAP 19: Liabilities to Pay Levies	01 April 2019	Unlikely there will be a material impact
GRAP 12 (as amended 2016): Inventories	01 April 2018	Unlikely there will be a material impact
GRAP 27 (as amended 2016): Agriculture	01 April 2018	Unlikely there will be a material impact
GRAP 31 (as amended 2016): Intangible Assets	01 April 2018	Unlikely there will be a material impact
GRAP 103 (as amended 2016): Heritage Assets	01 April 2018	Unlikely there will be a material impact
Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	Unlikely there will be a material impact

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the municipality's accounting periods beginning on or after 01 July 2018 or later periods but are not relevant to its operations:

Standard/ Interpretation:

Effective date:

Expected impact:

Years beginning on or
after

IGRAP 18: Interpretation of the Standard of GRAP on
Recognition and Derecognition of Land

01 April 2019

Unlikely there will be a
material impact



Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

3. Investment property

	2018			2017		
	Cost / Valuation	Accumulated impairment	Carrying value	Cost / Valuation	Accumulated impairment	Carrying value
Investment property	6 131 700	-	6 131 700	5 793 770	-	5 793 770

Reconciliation of investment property - 2018

	Opening balance	Fair value adjustments	Total
Investment property	5 793 770	337 930	6 131 700

Reconciliation of investment property - 2017

	Opening balance	Fair value adjustments	Total
Investment property	5 661 500	132 270	5 793 770

Pledged as security

There are no investment properties that have been pledged as security and there are no restrictions on the title.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Details of valuation

The effective date of the revaluations was Friday, 29 June 2018. Revaluations were performed by an independent valuer, Mrs Penny Lindstrom. Mrs Lindstrom is not connected to the municipality and has recent experience in location and category of the investment property being valued. It was determined that since there have been no movements in commercial property sales for the past 5 years the change was based on inflation.



Notes to the Audited Annual Financial Statements

Figures in Rand

4. Property, plant and equipment

	2018			2017		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	3 552 990	-	3 552 990	3 572 180	-	3 572 180
Buildings	31 834 812	(4 437 628)	27 397 184	31 665 555	(3 598 713)	28 066 842
Plant and machinery	16 725 195	(4 890 361)	11 834 834	11 469 733	(3 823 015)	7 646 718
Furniture and fixtures	15 776 460	(8 540 701)	7 235 759	13 427 990	(6 451 848)	6 976 142

Motor vehicles	12 054 492	(2 600 642)	9 453 850	9 750 183	(2 706 193)	7 043 990
Infrastructure	568 285 696	(187 159 112)	381 126 584	529 991 187	(158 341 826)	371 649 361
Community	96 378 153	(13 760 938)	82 617 215	79 767 647	(11 583 337)	68 184 310
Work in progress	88 042 329	-	88 042 329	115 358 362	-	115 358 362

Total	832 650 127	(221 389 382)	611 260 745	795 002 837	(186 504 932)	608 497 905
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Reconciliation of property, plant and equipment - 2018

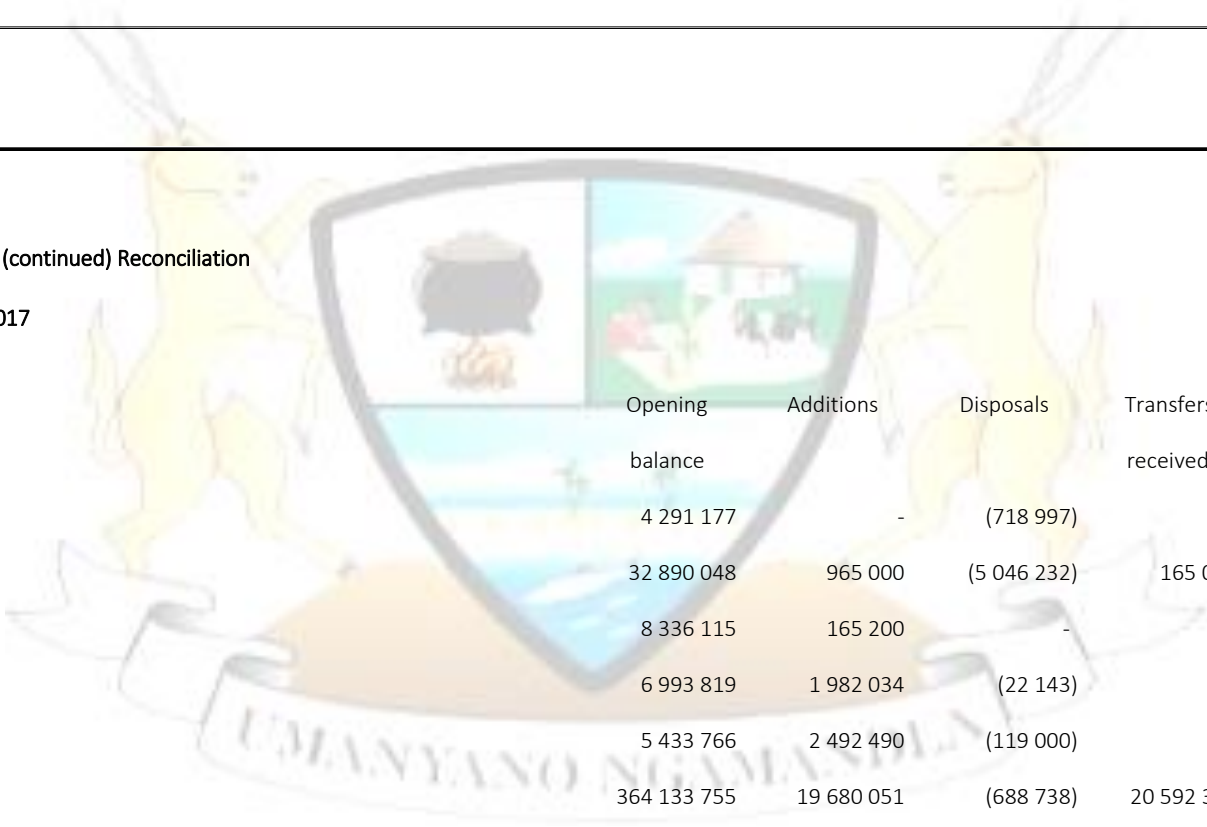
	Opening balance	Additions	Disposals	Transfers	Depreciation	Total
Land	3 572 180	-	(19 190)	-	-	3 552 990
Buildings	28 066 842	-	-	169 257	(838 915)	27 397 184
Plant and machinery	7 646 718	6 481 258	(727 939)	-	(1 565 203)	11 834 834
Furniture and fixtures	6 976 142	2 232 792	(30 619)	199 000	(2 141 556)	7 235 759
Motor vehicles	7 043 990	4 356 175	(1 099 691)	-	(846 624)	9 453 850
Infrastructure	371 649 361	22 170 383	(390 694)	18 509 457	(30 811 923)	381 126 584
Community	68 184 310	7 048 189	-	9 562 317	(2 177 601)	82 617 215
Work in progress	115 358 362	33 519 670	(32 395 672)	(28 440 031)	-	88 042 329
	608 497 905	75 808 467	(34 663 805)	-	(38 381 822)	611 260 745



Notes to the Audited Annual Financial Statements

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4. Property, plant and equipment (continued) Reconciliation
of property, plant and equipment - 2017



	Opening balance	Additions	Disposals	Transfers received	Depreciation	Total
Land	4 291 177	-	(718 997)	-	-	3 572 180
Buildings	32 890 048	965 000	(5 046 232)	165 000	(906 974)	28 066 842
Plant and machinery	8 336 115	165 200	-	-	(854 597)	7 646 718
Furniture and fixtures	6 993 819	1 982 034	(22 143)	-	(1 977 568)	6 976 142
Motor vehicles	5 433 766	2 492 490	(119 000)	-	(763 266)	7 043 990
Infrastructure	364 133 755	19 680 051	(688 738)	20 592 333	(32 068 040)	371 649 361
Community	64 237 793	5 290 394	(50 000)	753 118	(2 046 995)	68 184 310
Work in progress	88 495 845	52 971 120	(1 050 837)	(25 057 766)	-	115 358 362

Pledged as security

There are no property, plant and equipment pledged as security and there are no restrictions on the title.

Compensation received for losses on property, plant and equipment – included in operating profit.

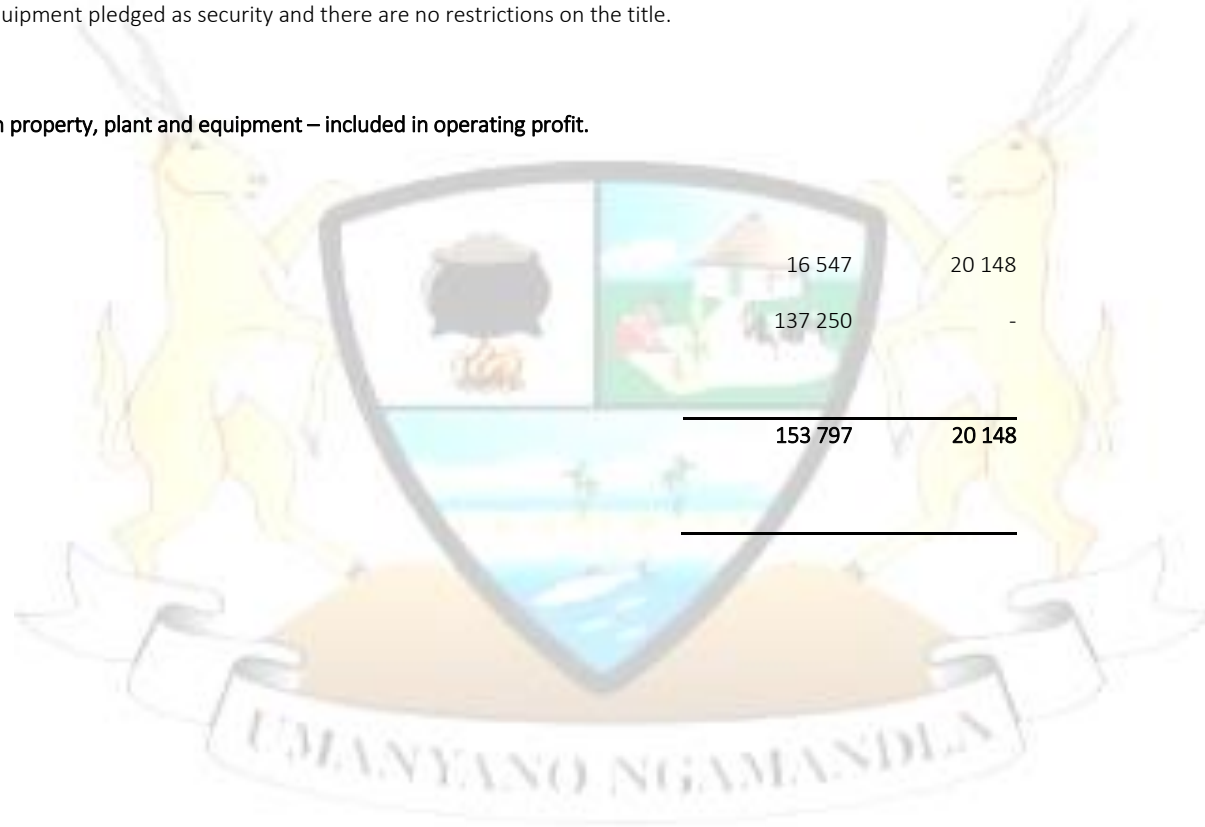
Furniture and fixtures

16 547	20 148
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Motor vehicles

137 250	-
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153 797	20 148
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Notes to the Audited Annual Financial Statements

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4. Property, plant and equipment (continued)

Property, plant and equipment in the process of being constructed or developed

Cumulative expenditure recognised in the carrying value of property, plant and equipment

Buildings

Electricity infrastructure

Infrastructure

Community

Carrying value of property, plant and equipment that is taking a significantly longer period of time to complete than expected

Community Assets

Bizana sports field was previously delayed due to lack of funding however the department of sport has agreed to fund the construction as a multi-year project that will be completed in 2020.

Roads Infrastructure

Sidanga access road, Mntomkhulu to Gxeni access road delayed due to the fine the municipality got from DEDEA for working on the bridge without the ORD. Electricity Infrastructure

Tsawana to Ludeke, as well Monti Ntlozelo projects were delayed due to shortage of funds. In 2017/18 Tsawana to Ludeke electrification has been completed which has reduced the amount compared to the prior year.

Carrying value of property, plant and equipment where construction or development has been halted either during the current or previous reporting period(s)

Roads Infrastructure

67 366 049 28 229 651

20 613 281 10 901 391

88 042 330 115 358 362

2018 2017

9 447 323 2 759 503

6 872 164 6 872 164

38 460 012 47 328 275

54 779 499 56 959 942

63 000 319 000

- 75 908 320

1 578 148 1 578 148

1 578 148 1 578 148

Reconciliation of Work-in-Progress 2018

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	104 137 972	10 901 390	319 000	115 358 362
Additions/capital expenditure	15 553 636	17 853 778	112 257	33 519 671
Disposals(Transferred to ESKOM)	(32 395 671)	-	-	(32 395 671)
Transferred to completed items	(19 929 887)	(8 144 188)	(368 257)	(28 442 332)

67 366 050 20 610 980 63 000 88 040 030

Reconciliation of Work-in-Progress 2017

	Included within Infrastructure	Included within Community	Included within Other PPE	Total
Opening balance	79 432 354	8 120 050	943 441	88 495 845
Additions/capital expenditure	48 066 825	4 585 295	319 000	52 971 120
Other movements (disposal)	-	(1 050 837)	-	(1 050 837)

104 137 972	10 901 390	319 000	115 358 362
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Notes to the Audited Annual Financial Statements

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2018

2017

4. Property, plant and equipment (continued)

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment

included in Statement of Financial Performance

Employee related costs	3 133 673	2 681 741
Contracted services	2 631 563	1 282 453
Fuel and Oil	176 535	-
General expenses	3 438 773	3 734 555
	9 380 544	7 698 749

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the municipality.

Change in the opening balance of the PPE

Aggregate adjustment to the carrying amounts previously reported	381 853	-
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An amount invoice amounting to R381 853 for Majazi Community Hall for work done before 30 June 2017 was received after year end and was therefore not included in the prior year Work in Progress balance.

5. Heritage assets

2018

2017

Cost / Valuation	Accumulated impairment	Carrying value	Cost / Valuation	Accumulated impairment	Carrying value
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losses

losses

Historical monuments	1 230 799	-	1 230 799	1 230 799	-	1 230 799
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Reconciliation of heritage assets 2018

	Opening balance	Total
Historical monuments	1 230 799	1 230 799

Reconciliation of heritage assets 2017

	Opening balance	Additions	Transfers received	Total
Historical monuments	-	452 358	778 441	1 230 799

Restrictions on heritage assets

There were no restrictions on the title of heritage assets.

Pledged as security

There were no heritage assets pledged as security.

Notes to the Audited Annual Financial Statements

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2018

2017

6. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	2 230 573	(1 456 340)	774 233	2 893 949	(1 425 111)	1 468 838

Reconciliation of intangible assets - 2018

	Opening balance	Disposals	Amortisation	Total
Computer software, other	1 468 838	(101 314)	(593 291)	774 233

Reconciliation of intangible assets - 2017

	Opening balance	Amortisation	Total
Computer software, other	2 893 949	(1 425 111)	1 468 838

Pledged as security

There are no intangible assets pledged as security and there are no restrictions on the title.

Changes in the opening balance of the Intangible assets

There were no changes made to the opening balances of intangible assets during the financial year.

7. Operating lease asset

Current assets	940 098	1 183 753
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Certain of the municipality's property is held to generate rental income. Lease agreements are renewable and have varying terms of between 9 to 20 years. There are no contingent rentals receivable. The operating lease asset arose as a result of straight-lining the lease rentals per requirements of GRAP 13.

8. Prepayments

Prepayments	13 656 837	5 830 235
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Prepaid expenses are expenditure that are paid for in one accounting period, but for which the underlying services will be received in a future period.

During the year under review the municipality paid for services that will be rendered in the following accounting period.

This was the supplier's requirement as it requires payment before services can be rendered. This supplier is:

- ☐ Belgeotex Floorcovering PTY LTD: Pre payment for delivering the soccer field turf
- ☐ Usta Trading for delivery of furniture that was not delivered by year-end



Notes to the Audited Annual Financial Statements

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9. Inventories

Trade and other receivables pledged as security

Inventories

The municipality does not have debtors that are pledged as security.

Inventories (write-downs)

Inventories consists of consumables stores.

Inventory pledged as security

There are no inventories pledged as security

There was no inventory write downs in the current financial year.

10. Other receivables from exchange transactions

Trade debtors

Unauthorised expenditure

Consumer debtors - Electricity

Other receivables from exchange transactions

Trade debtors

Consumer debtors - Land Sales

2018	2017		
		1 713 406	1 149 242
		82 832	-
		605 355	619 309
		2 401 593	1 768 551
449 106	472 394	1 713 406	1 149 242
-	-	210 030	210 030
449 106	472 394	(210 030)	(210 030)
		956 457	956 457
		(351 102)	(337 148)
		82 832	-
		2 401 593	1 768 551
Fair value of trade and other receivables			
Trade and other receivables		2 401 593	1 768 551

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 30 June 2018, R 1 149 241 (2017: R 1 149 242) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

3 months past due	1 149 241	1 149 242
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Trade and other receivables impaired

As of 30 June 2018, trade and other receivables of R 1 730 651 (2017: R 1 166 487) were impaired and provided for.

The amount of the provision was R (561 132) as of 30 June 2018 (2017: R (547 178)).

The ageing of these amounts is as follows:

Over 6 months	1 730 651	1 166 487
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Notes to the Audited Annual Financial Statements

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2018

2017

11. Receivables from non-exchange transactions

Fines	1 450 105	951 699
Government grants and subsidies	403 681	4 221 021
Payroll debtors	398 127	183 840
Overpayment - Councillors remuneration	1 922 376	1 922 376
Rates	21 905 587	19 884 352

26 079 876 **27 163 288**

Rates

Consumer debtors - Rates	27 348 722	24 601 686
Provision for bad debts consumer debtors - Rates	(5 443 135)	(4 717 334)

21 905 587 **19 884 352**

Rates: Aging

Current (0 - 30 days)	609 609	604 349
31 - 60 days	447 492	179 712
61 - 90 days	2 485 589	140 597
91 - 120 days	124 102	138 639
121 - 150 days	117 967	115 597
>150 days	23 563 963	23 422 792

27 348 722 **24 601 686**

Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security

Fair value of receivables from non-exchange transactions

Receivables from non-exchange transactions	26 079 876	27 163 288
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The net balance of receivables from non-exchange transactions approximate the fair value of these receivables]

12. VAT receivable

VAT	27 222 037	16 066 591
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VAT is recognised on an invoice basis.



Mbizana Local Municipality

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Figures in Rand

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Less: Allowance for impairment

13. Receivables from exchange transactions

Gross balances

Receivables-service charges

Less: Allowance for impairment

Provision for bad debts

Net balance

Receivables-service charges

Receivables - Service Charges

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Industrial/ commercial

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Less: Allowance for impairment

National and provincial government

Current (0 -30 days)

31 - 60 days

61 - 90 days

91 - 120 days

121 - 150 days

> 150 days

Summary of debtors by customer classification

Consumers

Receivables - Services Charges

Current (0 -30 days)

	2018	2017
	20 602 556	17 967 058
	(11 309 609)	(10 438 533)
	9 292 947	7 528 525
	2 546 696	2 592 228
	1 028 650	1 628 474
	571 833	490 118
	536 136	454 180
	510 419	429 212
	15 408 822	12 372 846
	20 602 556	17 967 058

3 235 663 185 350

1 606 574 128 941

3 076 524 123 648

545 889	117 669	12 315 162	10 282 180
739 741	113 662	(10 083 008)	(7 818 088)
44 873 606	6 813 008		

2 232 154	2 464 092
------------------	------------------

54 077 997	7 482 278
(6 669 736)	(6 266 382)

721 109	716 630
---------	---------

368 314	767 069
---------	---------

2 333 067	26 827
-----------	--------

268 649	261 864
---------	---------

258 237	251 511
---------	---------

22 690 304	19 020 792
------------	------------

47 408 261	1 215 896
-------------------	------------------

26 639 680	21 044 693
-------------------	-------------------

2 214 647	2 294 597
-----------	-----------

976 211	912 176
---------	---------

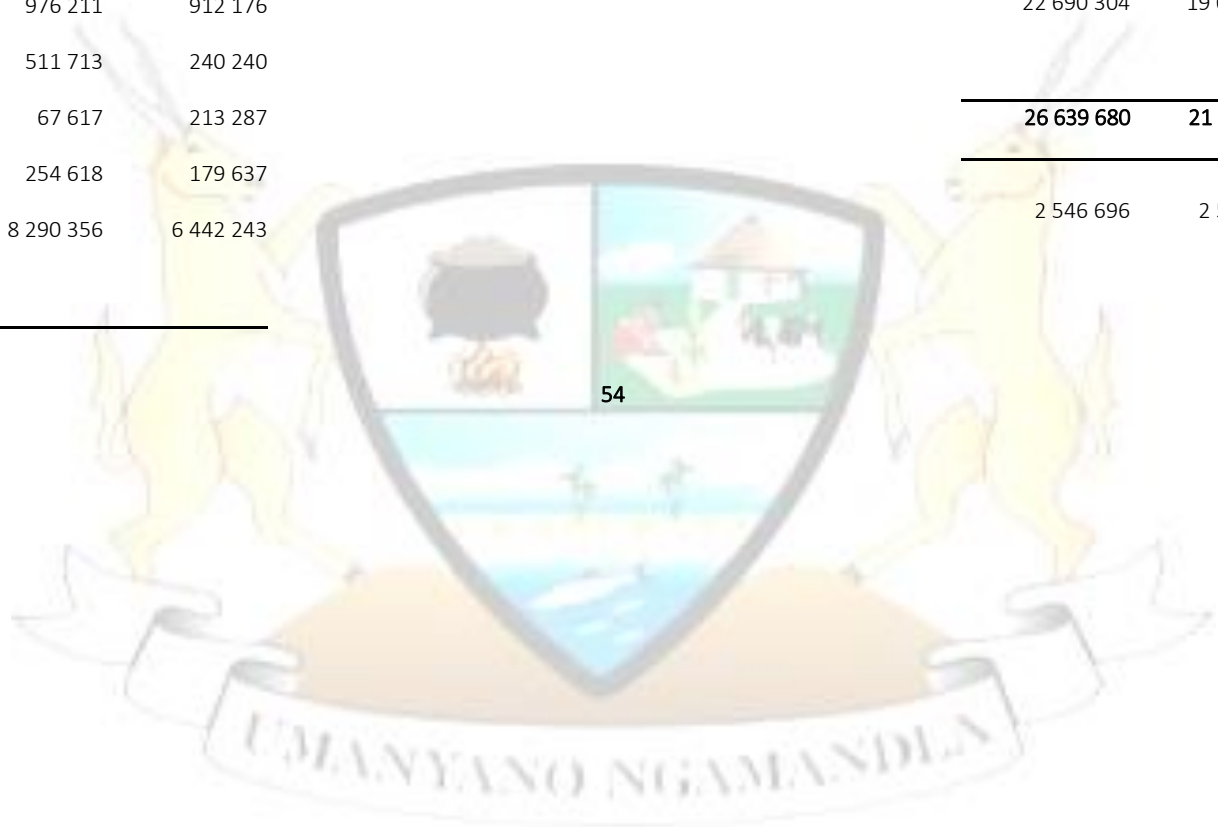
511 713	240 240
---------	---------

67 617	213 287
--------	---------

254 618	179 637
---------	---------

8 290 356	6 442 243
-----------	-----------

2 546 696	2 592 228
-----------	-----------



Notes to the Audited Annual Financial Statements

Credit quality of consumer debtors

Figures in Rand

13. Receivables from exchange transactions (continued)

31 - 60 days
61 - 90 days
91 - 120 days
121 - 150 days
> 150 days

Less: Allowance for impairment

Less: Allowance for impairment

31 - 60 days
61 - 90 days
91 - 120 days
121 - 150 days
> 150 days

Reconciliation of allowance for impairment

Balance at beginning of the year

Contributions to allowance

Reversal of allowance

Consumer debtors pledged as security

			9 292 947	7 528 525
			32	(98 163)
			31	(94 483)
			46	(146 165)
2018	2017		45	(145 079)
			(11 309 763)	(9 954 643)
1 028 650	1 628 474		(11 309 609)	(10 438 533)
571 833	490 118			
536 136	454 180		(10 438 533)	(4 819 298)
510 419	429 212		(11 920 026)	(11 048 950)
15 408 822	12 372 846		11 048 950	5 429 715
20 602 556	17 967 058		(11 309 609)	(10 438 533)
(11 309 609)	(10 438 533)			

In determining the recoverability of consumer debt the municipality considers any changes in the credit quality of the consumer debtor from the date credit was initially granted up to the reporting date. The concentration of credit risk is limited due to the consumer base being large and unrelated. Accordingly, the provision for impairment is determined according to the past payment patterns of each consumers within the various categories. The calculation of the provision for bad debts is automated in the system which is configured according to the national treasury scoring method.

Fair value of receivables- service charges

Consumer debtors	9 292 947	7 528 525
------------------	-----------	-----------

The fair value of receivables from services charges is determined by taking the gross amount less allowance for impairment.



Notes to the Audited Annual Financial Statements

	2018	2017
Figures in Rand		

14. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	2 005	25
Bank balances	13 504 738	1 622 866
Short-term deposits	81 042 348	65 403 342
	94 549 091	67 026 233

The municipality had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	30 June 2018	30 June 2017	30 June 2016	30 June 2018	30 June 2017	30 June 2016
FNB BANK - Public Sector - Cheque Account-51704922107	13 499 124	1 627 398	4 700 891	13 504 737	1 622 866	4 698 856
FNB BANK - Public Sector - Account- 61170003788	417 420	396 661	374 236	417 421	396 662	374 236
FNB BANK - Public Sector - Cheque Account - 51701039997	1 889 183	1 788 870	1 685 117	1 879 626	1 779 314	1 675 561
FNB BANK - 32 day notice - 740-0292-4914	256 520	244 699	232 789	256 519	244 699	232 789
FNB BANK - Business Call Account - 611700303564	42 221	42 221	42 221	42 221	42 221	42 221

FNB BANK - Business Call	21 237	21 237	21 237	21 237	21 237	21 237
Account - 620003246693						
FNB BANK - Business Call	99 304	99 304	99 304	99 304	99 304	99 304
Account - 61170003374						
FNB BANK - Business Call	387 255	389 660	392 054	387 255	389 660	392 054
Account - 62022692439						
FNB BANK - Business Call	1 241	1 241	1 241	1 241	1 241	1 241
Account - 6202224555						
FNB BANK - Business Call	77 300 623	61 745 885	88 008 565	77 300 623	61 745 885	88 008 565
Account - 62028477992						
FNB BANK - Business Call	4 482	4 482	4 482	4 482	4 482	4 482
Account - 62122946447						
FNB BANK - Business Call	619 443	619 443	619 443	619 443	619 443	619 443
Account - 6212246661						
FNB BANK - Business Call	-	23 123	7 476	(15)	23 108	7 461
Account - 62459758078						
FNB BANK - Business Call	6 495	6 495	6 495	6 495	6 495	6 495
Account - 62122946778						
FNB BANK - Business Call	6 495	6 495	6 495	6 495	6 495	6 495
Account - 62122946926						
FNB BANK - Business Call	-	-	394 951	-	-	394 951
Account - 62550720257						
FNB BANK - Business Call	-	-	319 871	-	-	319 871
Account - 62550715828						
FNB BANK - Business Call	-	23 096	-	-	23 096	-
Account - 62550717767						

Total	94 551 043	67 040 310	96 916 868	94 547 084	67 026 208	96 905 262
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Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

15. Unspent conditional grants and receipts

The conditions relating to full expenditure were not met for the grants disclosed as unspent conditional grants and receipts. These amounts are accounted for as a current liability until a roll-over is granted by National Treasury and the spending condition is met.

Unspent conditional grants and receipts comprises of:

Unspent conditional grants and receipts

DSRAC: Library Grant	423	139 240
LED : Economic Master Plan	301 868	301 868
Integrated National Electrification Grant	-	1 008
DHLTA-Fraud Prevention	160 280	160 280
LED-Grant	120 920	120 920
Road Maintenance IEC	263 124	263 124
Pilot Housing Trust Fund	391 620	391 620
EXT 2 Residents Trust Fund-Grant	33 802	33 802
Municipal Infrastructure Grant	-	23 096
GIS Grant - Alfred Nzo	100 000	100 000
Waste Management Grant	11 610	-

1 383 647

1 534 958

Movement during the year

Balance at the beginning of the year	1 534 958	2 954 514
Additions during the year	119 034 319	74 403 000
Income recognition during the year	(119 185 630)	(75 822 556)

1 383 647

1 534 958



Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

16. Provisions**Reconciliation of provisions - 2018**

	Opening Balance	Additions	Reversed during the year	Total
Environmental rehabilitation	5 814 681	568 183	-	6 382 864
Provision for long service bonuses	176 449	201 722	-	378 171
Bonus provision	1 337 552	454 727	-	1 792 279
Staff leave provision	10 547 650	-	(4 881 722)	5 665 928
	17 876 332	1 224 632	(4 881 722)	14 219 242

Reconciliation of provisions - 2017

	Opening Balance	Additions	Total
Environmental rehabilitation	4 824 635	990 046	5 814 681
Provision for long service bonuses	74 683	101 766	176 449
Bonus provision	1 185 647	151 905	1 337 552
Staff leave provision	8 029 547	2 518 103	10 547 650
	14 114 512	3 761 820	17 876 332

Non-current liabilities

4 318 896 3 585 447

Current liabilities

9 900 346 14 290 885

14 219 242 17 876 332

Environmental rehabilitation provision

The municipality operates a refuse disposal site. In accordance with legislation and to comply with the Department of Water Affairs (DWA) and Department of Economic Development and Environmental Affairs (DEDEA) on the landfill waste sites, the municipality raises a provision every year for the estimated cost of rehabilitating the land over which the site is situated.

Provision has been made for this cost based on the construction budget to rehabilitate the landfill site at 30 June 2018 taking into account price escalations of 5.5% relating to inflation.

A valuation of the rehabilitation was conducted by an independent valuer (Enzokuhle Enterprise) and a liability has been raised. Movements in the provision are recognised in the statement of financial performance. The provision has been determined on the basis of a recent independent financial requirement and viability study.

Long service bonus provision

The municipality offers employees long service awards (LSA) for every 5 years of service completed from 5 years of service to 45 years of service inclusive. The LSA is not a funded arrangement.

Movements in the provision are recognised in the statement of financial performance

Bonus provision

All permanent employees are entitled to receive a bonus equal to one month basic salary on their birth month therefore an accrual of the proportionate bonus is accrued from year end till the next birth date for each employee.

Staff leave provision

Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

16. Provisions (continued)

The municipality offers employees 2 days for every month completed and is therefore liable to pay the employee the amount equivalent to the leave days not taken at year end upon resignation or retirement. This is calculated based on the cost to company rate per day.

The movement in the provision is recorded in the statement of financial performance.

17. DBSA Loan

DBSA loan was due 7 days from the payment dates of INEP grants to Municipalities as they are published in the Government Gazette in terms of the applicable Division of Revenue Act. The capital together with interest was paid within 2 years and the interest rate was fixed at 9.1%. The DBSA Loan was settled during the current financial year as per the agreement.

Current liabilities	-	16 273 890
---------------------	---	------------

18. Payables from exchange transactions

Trade payables	10 364 785	4 065 562
Payments received in advanced	607 517	4 717 334
Other payables	(1)	42 939
Payroll creditors	76 374	107 337
Accrued expense	13 752 726	4 220 585
Unallocated receipts	805 648	783 652
Settlement arrangements	-	79 870
Provision for workmen's compensation	1 982 872	1 401 177
Retention	11 502 764	10 173 961

39 092 685	25 592 417
------------	------------

The average payment period for services received is 30 days from the receipt of the invoice as required by the MFMA.

Interest charged and penalties charged for late payments have been disclosed separately.

The municipality has considered the effect of discounting trade creditors to fair value and the difference was considered immaterial. Accordingly trade and other payables approximate fair value.

Workmen's compensation provision: In terms of COID Act every employer must pay workmen's compensation to the Department of Labour. The compensation fund sends employers notices of assessment every year in April indicating the amount that must be paid. The municipality thus raises a provision for the amount payable in the following year. This is based on the budgeted total personnel expenditure for the year and a percentage as determined by the Department of Labour.

Fair value of payables from exchange transactions

Trade payables	39 092 685	25 592 417
----------------	------------	------------

19. Consumer deposits

Electricity	223 072	325 769
Electricity New Connections	-	78 000
Hall Hire	386 487	55 046
	609 559	458 815

Consumer deposits for electricity are paid by consumers on application for new electricity connections. The deposits are repaid when the electricity connections are terminated. In cases where consumers default on their accounts council can utilise the deposits as payment for the outstanding amount.

Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

19. Consumer deposits (continued)

Hall hire deposits are paid by consumers on hiring any of the municipal community halls. The deposit is a damage deposit and is paid back to the consumer after the event and if no damages occurred.

Consumer deposits collected do not accrue any interest.

The carrying value of consumer deposits approximates their fair value.

20. Revenue

Service charges	30 831 422	29 904 275
Rental of facilities and equipment	655 942	470 216
Agency services	1 150 355	842 878
Commissions received	114 787	100 249
Recoveries	3 883 964	-
Other income - (rollup)	755 504	1 050 999
Interest received	11 223 543	10 554 299
Property rates	19 942 068	20 255 597
Government grants & subsidies	313 815 633	255 556 626
Fines, Penalties and Forfeits	1 646 015	1 162 800

384 019 233	319 897 939
--------------------	--------------------

The amount included in revenue arising from exchanges of goods or services

are as follows:

Service charges	30 831 422	29 904 275
Rental of facilities and equipment	655 942	470 216
Agency services	1 150 355	842 878
Commissions received	114 787	100 249

Recoveries	3 883 964	-
Other income - (rollup)	755 504	1 050 999
Interest received	11 223 543	10 554 299
	48 615 517	42 922 916

The amount included in revenue arising from non-exchange transactions is as

follows:

Taxation revenue

Property rates	19 942 068	20 255 597
Licences or permits	2 296 218	2 446 270

Transfer revenue

Government grants & subsidies	313 815 633	255 556 626
Fines, Penalties and Forfeits	1 646 015	1 162 800

337 699 934	279 421 293
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Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

21. Property rates**Rates income**

Rates levied	19 942 068	20 255 597
--------------	------------	------------

Valuations

Residential	221 263 000	226 013 000
-------------	-------------	-------------

Commercial	723 914 000	759 771 000
------------	-------------	-------------

State	1 030 283 000	1 113 298 500
-------	---------------	---------------

Municipal	187 303 500	55 114 500
-----------	-------------	------------

2 162 763 500	2 154 197 000
----------------------	----------------------

The general valuation on properties is performed every 4 years by an independent valuer (currently being Kanyisa Properties). The last general valuation roll came into effect on 1 July 2014. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions

A general rate of R 0.0090 (businesses), R 0.0050 (residential), R 0.0120 (State) is applied to property valuations to determine assessment rates. Rebates of R 55 000 are granted to residential property owners.

Rates are levied on an annual basis with the final date for payment being 30 September for annual payments. Interest at prime plus 1% per annum (2017: prime plus 1%) is levied on rates outstanding 30 days after due date.

22. Service charges

Sale of electricity	29 507 365	28 761 324
---------------------	------------	------------

Solid waste	1 324 057	1 142 951
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Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

23. Government grants and subsidies**Operating grants**

Equitable share	197 681 000	175 910 000
Spatial development framework	-	275 148
Waste Management Grant	488 390	-
IDP Grant	-	256 939
MIG Operational	2 781 316	2 712 669
Financial Management Grant	2 145 000	2 217 848
Expanded Public Works Programme Grant	1 704 000	1 084 000
LGSET / Skills Development Grant	146 343	-
Dept Sport & Culture - Library	488 817	243 910
DEDEAT- Alien Plant Vegetation	-	211 314
	205 434 866	182 911 828

Capital grants

Municipal Infrastructure Grant	56 919 780	43 423 235
Integrated National Electrification Programme	34 001 004	25 000 542
Provincial Electrification Grant	17 459 983	4 221 021
	108 380 767	72 644 798

313 815 633**255 556 626****Conditional and Unconditional**

Included in above are the following grants and subsidies received:

Conditional grants received	119 654 319	74 403 000
-----------------------------	-------------	------------

Unconditional grants received	197 681 000	175 910 000
-------------------------------	-------------	-------------

317 335 319	250 313 000
--------------------	--------------------

Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

All registered indigents received free basic electricity amounting to R3 798 537 and free basic services amounting to R620 448.

Current year receipts	197 681 000	175 910 000
Conditions met - transferred to revenue	(197 681 000)	(175 910 000)

DSRAC Library Grant

Balance unspent at beginning of year	139 240	33 150
Current-year receipts	350 000	350 000
Conditions met - transferred to revenue	(488 817)	(243 910)
	423	139 240

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

LED - Economic Masterplan

Balance unspent at beginning of year	301 868	301 868
Current-year receipts	-	-
	301 868	301 868

Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

23. Government grants and subsidies (continued)

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

EPWP Grant

Current-year receipts	1 704 000	1 084 000
Conditions met - transferred to revenue	(1 704 000)	(1 084 000)
	-	-

The Municipality fully met the spending conditions and the whole allocation was transferred to revenue.

Integrated National Electrification Grant

Balance unspent at beginning of year	1 008	3 550
Current-year receipts	34 000 000	25 000 000
Conditions met - transferred to revenue	(34 001 008)	(25 002 542)
	-	1 008

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

DHLTA-Fraud Prevention Grant

Balance unspent at beginning of year	160 280	160 280
--------------------------------------	---------	---------

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

LED Capacity Grant

Balance unspent at beginning of year	120 920	120 920
--------------------------------------	---------	---------

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

IEC Grant

Balance unspent at beginning of year	263 124	263 124
--------------------------------------	---------	---------

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

IDP Grant

Balance unspent at beginning of year	-	256 939
--------------------------------------	---	---------

Conditions met - transferred to revenue	-	(256 939)
---	---	-----------

The Municipality fully met the spending conditions and the whole allocation was transferred to revenue in the prior year.

Pilot Housing Trust

Balance unspent at beginning of year	391 620	391 620
--------------------------------------	---------	---------



Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

23. Government grants and subsidies (continued)

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

Ext 2 Residence Grant

Balance unspent at beginning of year

33 802

33 802

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

Financial Management Grant

Balance unspent at beginning of year

-

407 848

Current-year receipts

2 145 000

1 810 000

Conditions met - transferred to revenue

(2 145 000)

(2 217 848)

-

-

The Municipality fully met the spending conditions and the whole allocation was transferred to revenue.

Municipal Infrastructure Grant

Balance unspent at beginning of year

23 096

-

Current-year receipts

59 678 000

46 159 000

Conditions met - transferred to revenue

(59 701 096)

(46 135 904)

-	23 096
---	--------

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

Municipal Systems Improvement Grant

Balance unspent at beginning of year	-	394 951
Surrendered back to the NRF	-	(394 951)

-	-
---	---

The unspent funds were returned to the national revenue fund.

Municipal Support Grant

Balance unspent at beginning of year	-	275 148
Conditions met - transferred to revenue	-	(275 148)

-	-
---	---

The Municipality fully met the spending conditions and the whole allocation was transferred to revenue

GIS Grant - Alfred Nzo

Balance unspent at beginning of year	100 000	100 000
--------------------------------------	---------	---------

The spending condition in relation to the grant received was not met fully therefore the grant remains a liability as disclosed in the statement of financial position in unspent conditional grants (see note 15).

Provincial Electrification Grant

Current-year receipts	21 277 319	-
-----------------------	------------	---

Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

23. Government grants and subsidies (continued)

(17 459 983) — (4 221 021)

Conditions met - transferred to revenue Reclassified to receivables

(3 817 336) 4 221 021

- -

Spending conditions were met and the amount spent but not yet transferred to the municipality has been disclosed as a receivable.

Waste Management Grant

Current-year receipts

500 000 -

Conditions met - transferred to revenue

(488 390) -

11 610 -

Conditions still to be met - remain liabilities (see note 15).

DEDEAT- Alien Plant Vegetation

Balance unspent at beginning of year

- 211 314

Conditions met - transferred to revenue

- (211 314)

- -

The Municipality fully met the spending conditions and the whole allocation was transferred to revenue, however in the current financial year no amount was received for the Alien Plant Vegetation

Changes in level of government grants

Based on the allocations set out in the Division of Revenue Bill, (Bill No. 04 of 2017), no significant changes in the level of government grant funding are expected over the forthcoming 3 financial years.

24. Investment revenue

Interest revenue

Bank	7 435 450	7 796 441
Interest charged on trade and other receivables	3 788 093	2 757 858
	<hr/>	<hr/>
	11 223 543	10 554 299
	<hr/>	<hr/>



Audited Annual Financial Statements for the year ended 30 June 2018

Leasehold fees

Hall hire

Notes to the Audited Annual Financial Statements

Rental of recreational facilities

Figures in Rand

25. Other income**27. Agency services**

Commissions received

Driver's Licenses

Losses recovered

28. Fines, Penalties and Forfeits

Movement in provision

Illegal Connections Fines

Other income - (rollup)

Pound Fees Fines

Municipal Traffic Fines

The amount included in other revenue arising from exchanges of goods or services are as follows:

Tender fees

Photocopy

Commission received

Zoning fees

Sundry income

Building plans

Advertising income

Vending and Hawking

Land sales

Funeral fees

Pound fees

26. Rental of facilities and equipment

-	4 909
10 347	5 969
-	11 081

755 504	1 151 248
----------------	------------------

2018	2017
------	------

629 966	434 757
25 976	35 012
-	447

114 787	100 249
153 797	-
3 730 167	-
755 504	1 050 999

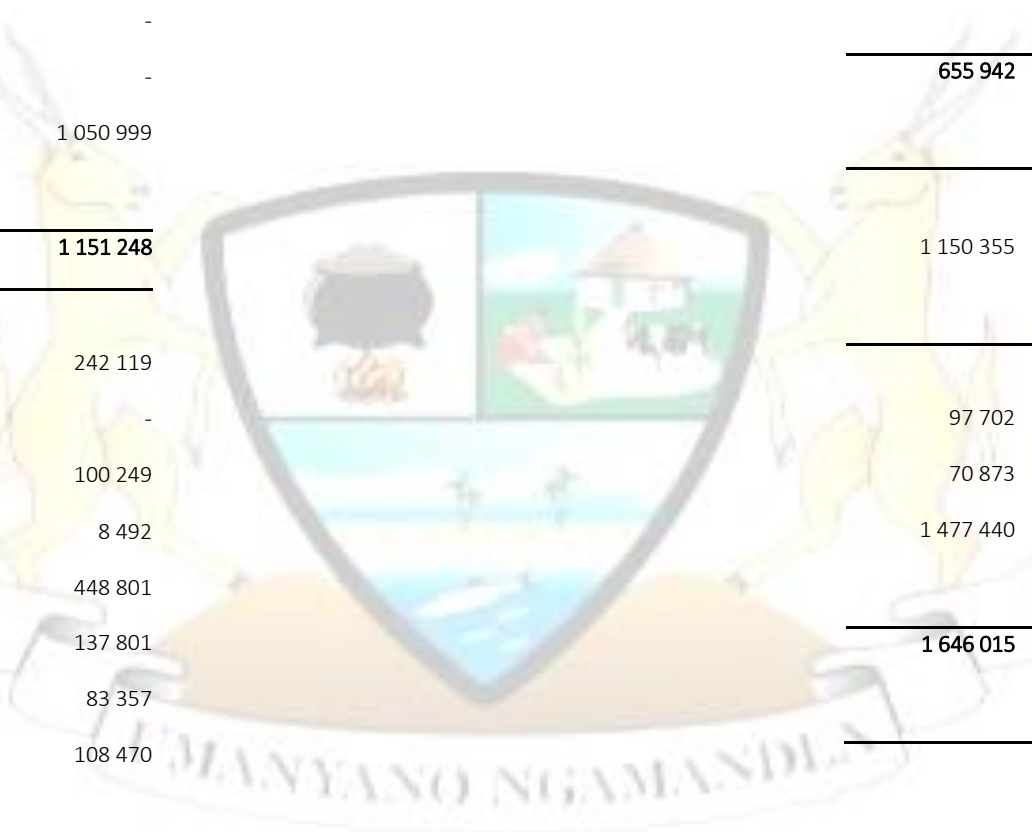
655 942	470 216
----------------	----------------

4 754 255	1 151 248
------------------	------------------

1 150 355	842 878
-----------	---------

316 469	242 119
206	-
-	100 249
-	8 492
191 712	448 801
132 235	137 801
104 535	83 357
-	108 470

97 702	56 000
70 873	-
1 477 440	1 106 800
1 646 015	1 162 800





Notes to the Audited Annual Financial Statements

Figures in Rand

Entertainment

Environmental projects

Free basic services

Institutional support

License fees

Ward committee fees

Other expenses

29. General expenses

Advertising

Auditors remuneration

Bank charges

Commission paid

Consumables

Service delivery expenses

Fines and penalties

Gifts

Hire

Insurance

IT expenses

Magazines, books and periodicals

Motor vehicle expenses

Fuel and oil

Postage and courier

Printing and stationery

Protective clothing

Repairs and maintenance

Subscriptions and membership fees

Telephone

Training

Travel - local

Travel - overseas

Water

30. Gain or loss on disposal of assets and liabilities

Property, plant and equipment

Intangible assets



			429 268	1 090 305
			976 426	1 464 103
			3 438 773	3 734 555
			157 056	4 670
			5 157 822	4 179 321
			1 347 983	1 806 560
			11 594 123	8 154 256
			106 034	-
			48 490	78 356
			-	895 993
			-	2 274 637
			3 798 536	4 490 819
			-	276 465
			176 295	441 580
			4 767 243	3 876 084
			2 770 794	20 996 990
			55 597 122	70 019 312
			33 878 535	7 675 799
			101 314	-
			33 979 849	7 675 799
2018	2017			
932 489	701 797			
4 353 359	4 300 954			
160 242	182 944			
515 875	-			
3 482 106	894 372			
-	4 103 358			
(73)	-			
2 485 879	-			
2 891 769	-			
1 551 779	1 362 395			
2 033 795	2 532 809			
328 893	660 875			
45 440	15 800			
2 046 283	1 498 203			
443	1 111			



Remuneration of Chief Finance Officer

Notes to the Audited Annual Financial Statements

Annual remuneration

Car allowance

Figures in Rand

Other

31. Employee related costs

Remuneration of Senior Manager: Corporate Services

Basic

Annual remuneration

Bonus

Car allowance

Medical aid - company contributions

Other

UIF

SDL

Provision for leave

Cellphone allowance

Remuneration of Senior Manager: Community Services

Pension fund contribution

Annual remuneration

Bargaining council contribution

Car allowance

Travel motor allowances

Other

Long-service awards

Housing benefits and allowances

Other allowances

Overtime

Remuneration of Senior Manager: Engineering Services

Standby allowances

Annual remuneration

Car allowance

Other

Remuneration of Municipal Manager

Annual remuneration

Car allowance

Other

Remuneration of Senior Manager: Planning and Development Services

Annual remuneration

Car allowance

Other

	2018	2017
	59 163 637	54 151 510
	4 621 265	3 856 660
	3 465 390	3 748 647
	396 891	383 853
	909 821	259 474
	-	3 867 491
	398 392	506 134
	5 065 010	4 757 735
	22 248	20 329
	6 563 268	6 844 836
	378 172	(74 683)
	3 014 299	2 894 989
	111 211	1 283 183
	937 015	910 810
	719 652	606 709
	85 766 271	84 017 677
	889 636	891 098
	335 319	339 187
	245 934	122 107
	1 470 889	1 352 392
	725 869	723 977

267 487	282 303		
258 880	117 825	1 217 198	1 114 072
1 252 236	1 124 105	761 565	725 065
		181 519	168 119
839 074	793 977	225 804	221 963
159 912	168 119		
253 795	156 911	1 168 888	1 115 147
1 252 781	1 119 007	712 069	763 611
		178 457	190 647
789 901	759 117	248 840	164 308
178 457	190 647		
248 840	164 308	1 139 366	1 118 566



Audited Annual Financial Statements for the year ended 30 June 2018

Notes to the Audited Annual Financial Statements**36. Auditors' remuneration**

Figures in Rand

Fees

32. Remuneration of councillors

Car Allowance

Cellphone Allowance

Annual Remuneration

Public Office Allowance

33. Debt impairment

Movement-provision for bad debts

Bad debts written off

34. Depreciation and amortisation

Property, plant and equipment

Intangible assets

35. Finance costs

Current borrowings

37. Grants related expenditure**Other subsidies**

DEDEAT - Alien plant vegetation

Integrated Electrification

MIG Projects

Library Grant

EPWP Casuals

Financial Management Grant

MIG - Project Management



			38 974 830	39 229 322
			722 752	2 168 113
			3 808	-
2018	2017		726 560	2 168 113
			4 353 359	4 300 954
4 933 003	4 431 289			
2 752 800	1 584 802			
13 812 407	12 761 041			
986 600	871 615		-	166 857
			-	11 101 198
22 484 810	19 648 747		-	408 052
			-	243 910
2 505 730	1 035 170		-	1 084 000
-	74 678		-	1 983 926
			189 620	84 497
2 505 730	1 109 848		189 620	15 072 440
38 381 717	39 229 322			
593 113	-			

Grant related expenditure consists of expenses incurred during the period in respect of various grants received. These expenses include salaries paid to interns, project management, consulting fees and project related travelling expenses.

38. Bulk purchases

Electricity	27 760 875	27 606 329
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Notes to the Audited Annual Financial Statements

	2018	2017
Figures in Rand		
39. Cash generated from operations		
Surplus	56 007 154	44 312 531
	38 974 830	39 229 322
Adjustments for:	33 979 849	7 675 799
Depreciation and amortisation	(337 930)	(132 270)
Gain or loss on sale of assets and liabilities	2 505 730	1 109 848
Fair value adjustments	243 655	222 362
Debt impairment	(3 657 090)	3 761 820
Movements in operating lease assets and accruals	-	2 768 873
Movements in provisions	326 389	3 366 694
Transfers and non-cash disposals	23 288	106 174
Other non-cash movements	(633 042)	1 025 908
Changes in working capital:	(4 270 152)	4 915 567
Inventories	1 083 412	(23 953 663)
Other receivables from exchange transactions	(7 826 602)	538 163
Consumer debtors	13 500 268	(1 665 556)
Other receivables from non-exchange transactions	(11 155 446)	(3 656 425)
Prepayments	56 200	-
Payables from exchange transactions	(151 311)	(1 419 556)
VAT	150 744	18 315
Taxes and transfers payable (non exchange)		
Unspent conditional grants and receipts	118 819 946	78 223 906
Consumer deposits		

Audited Annual Financial Statements for the year ended 30 June 2018

Notes to the Audited Annual Financial Statements

Figures in Rand

40. Commitments Authorised**capital expenditure****Already contracted for but not provided for**

- ☐ Infrastructure Assets
- ☐ Intergrated Electrification
- ☐ Community Assets
- ☐ Other Commitments

Total capital commitments

Already contracted for but not provided for

Authorised operational expenditure**Already contracted for but not provided for**

- ☐ Consultants and professional fees

Total operational commitments

Already contracted for but not provided for

Total commitments**Total commitments**

Authorised capital expenditure

187 968 464 80 270 768

2018 2017

- 545 241

- 545 241

141 523 291 21 910 024

9 835 495 39 700 598

4 977 185 13 889 217

31 632 493 4 770 929

187 968 464 80 270 768

187 968 464 80 270 768

- 545 241

187 968 464 80 816 009

This committed expenditure relates to property and will be financed by available bank facilities, retained surpluses, existing cash resources, funds internally generated, etc.

Operating leases - as lessee (expense)

Aloe office Minimum lease payments due

- within one year 789 293 24 364

- in second to third year inclusive 1 420 623 -

2 209 916 24 364

Operating leases - as lessor (income)

Minimum lease payments due

- within one year - 1 923

The municipality is leasing out certain property to Collins Property Investments. The lease agreement has a term of 20 years and rentals escalate by 8% every annum. No contingent rents are receivable.

Minimum lease payments receivable

- within one year	367 131	339 936
- in second to fifth year inclusive	566 971	907 102
	934 102	1 247 038

The municipality is leasing out certain property to Africa's Best 350. The lease agreement has a term of 10 years and rentals escalate by prime lending rate at each anniversary date. No contingent rents are receivable.

Minimum lease payment receivable



Notes to the Audited Annual Financial Statements

	2018	2017
Figures in Rand		

40. Commitments (continued) -
within one year

- 17 630

The municipality is leasing out certain property to Blue Raindrops Trading CC. The lease agreement has a term of 12 years and rentals escalate by 8% at each anniversary date. No contingent rents are receivable.

Minimum lease payments receivable

- within one year	40 032	37 067
- in second to fifth year inclusive	73 661	113 692
	113 693	150 759

The municipality is leasing out certain property to Slip Knot Investments 11 (Proprietary) Limited. The lease agreement has a term of 20 years and rentals escalate by 8% at each anniversary date. No contingent rents are receivable.

Minimum lease payments receivable

- within one year	404 930	374 935
- in second to fifth year inclusive	825 737	1 230 667
	1 230 667	1 605 602



Notes to the Audited Annual Financial Statements

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41. Contingencies

Contingent liabilities

At year end the municipality had the following contingent liabilities

Cases against the municipality;

Case 1: Thembelihle vs Mbizana Local Municipality Land invasion Excecution

Case 2: Zwelenkosi Ngidi vs Mbizana Local Municipality Land invasion Excecution

Case 3: L.M Damoyi vs Mbizana Local Municipality Negligence of municipal employee

Case 4: TCN Architects vs Mbizana Local Municipality (case no. 3460/14)

TCN Architects had failed to pay plaintiff the sum of R368 838.37 in respect of account No.2. This claim was for professional fees for specific performance

Case 5: Ngalonkulu vs Mbizana Local Municipality (case no. 3131/14)

Mr Ngalonkulu lodged a claim for personal injuries, medical expenses & permanent disabilities sustained as a result of being electrocuted whilst on duty (employee of the municipality).

Case 6: Mfanafuthi Simon Thukwana vs Mbizana Local Municipality Review application in respect of the dismissed councillors

Case 7: Zukiswa Mkhizwana & Many vs Mbizana Local Municipality Eviction, ERF 27

Case 8: Nomazwi T. Njomi and Nomnikelo Madiba vs Mbizana Local Municipality Demolished structures

Case 9: Noncedile Dlamini & others vs Mbizana Local Municipality Unlawful structures or caravans

Case 10: Nomonde Khwelemthini / Mbizana Local Municipality There is a default judgement against the municipality

Case 12: Sostaz Construction JV. / Mbizana Local Municipality Case number 79/2018. Matter is a joint venture dispute

Case 13: Mbizana Local Municipality vs Nomonde Kwelemtini & Many

Default judgement against the municipality, application to stay warrant & rescission of judgement to be argued

Case 14: S.S Msekelwa//Mbizana Local Municipality

The case arose out of a claim of wrongful arrest and detention of plaintiff when he tempered with the electrical meter box. Claiming +/-R2 639 718

Case 15: T.C Nuba//Mbizana Local Municipality

The case arose out of a claim of wrongful arrest and detention of plaintiff when he tempered with the electrical meter box. Claiming +/-R1 843 106

Case 16: L.P Teyise vs Mbizana Local Municipality

2018

2017

Municipal Employees wrong management of lease

Case 17: Lulama Ngxabi / Mbizana Local Municipality

This is an interdict in respect of demolished shacks and caravans

Case 17: Hlongwe vs Mbizana Local Municipality

Claim from Plaintiff for damages allegedly as a result of injuries sustained where the Plaintiff alleges he was shot by a former municipal official in the course & scope of employment.

Contingent assets

At year end the municipality had the following contingent assets

Cases lodged by the municipality;	-	100 000
	-	100 000
	-	100 000
Case 1: Mbizana Municipality vs Mvumeza Trading	200 000	200 000
	200 000	200 000
	350 000	200 000
	-	2 520 000
	-	200 000
	-	1 180 000
	500 000	-
	500 000	-
	200 000	-
	-	740 000
	-	2 639 718
	-	1 843 106

-	100 000	2 000 000	-
250 000	-		
		<hr/>	<hr/>
		4 200 000	10 122 824
		<hr/>	<hr/>

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Mbizana Local Municipality

Audited Annual Financial Statements for the year ended 30 June 2018

Notes to the Audited Annual Financial Statements

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The municipality demolished properties for development purposes. The plaintiffs suffered structural loss as well as a loss of personal belongings. Actions have been withdrawn and plaintiff have failed to make payment, the municipality is moving forward with proceedings to recover the funds.

41. Contingencies (continued)

To recover property of the municipality

Case 2: Mbizana Municipality vs A.S Ngubo

To recover property of the municipality

Case 3: Ukhanyo Infrastructure Managers (PTY) LTD no. 830/2015

The case arose out of a claim for professional fees on electrification project of Tsawana. The case is awaiting a court date, expert evidence and consultation with official of Mbizana Municipality. We are represented by N.Z Mtshabe Incorporated.

Case 4: Gift Fynn / Mbizana Local Municipality

This is an unlawful extension building without the approval of the plan by the municipality

Case 5: Mbizana Local Municipality vs Noloyiso Mdingi

Case 6: Mbizana Local Municipality vs Jabbar UI Hassan Ali case no.2457/2013 Case 7: Mbizana Local Municipality vs Mr Charles Charalombos t/a Bizana Cash and Carry

Unlawful extension of building without the approval of the plans

Case 8: Mbizana Local Municipality vs M.M.N Investments (PTY)Ltd Bizana Funeral Parlour

This is a matter wherein the parlour was spreading water on the street

Case 9: Mbizana Local Municipality vs Cato Ridge

Case 10: Mbizana Local Municipality vs Mfanafuthi Simon Thukwana & others Dismissed Councillor application, dismissed with costs

Case 11: Mbizana Local Municipality vs Prince Madikizela

Lawyers are preparing the affidavit resisting the application

Case 12: Mbizana Local Municipality vs Aveng Infraset

Lawyers have filled an opposing affidavit resisting summary judgement

Case 13: Mbizana Local Municipality vs Baleni &Others

Opposing affidavits have been prepared and will travel to Port Elizabeth for upliftment

Case 14: Mbizana Local Municipality vs S. Vundla & others

			200 000	200 000
			-	8 000
			-	350 000
	-	300 000	-	300 000
	-	30 000	-	300 000
	-	200 000	-	500 000
			-	300 000
400 000	-			
			600 000	2 488 000



Notes to the Audited Annual Financial Statements

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42. Related parties

Relationships

Section 57 Managers Refer to key management information

Mayor Ms T.D Mafumbatha

Speaker Mr S. Magini

Chief Whip Mr M Mphetshwa

Executive Council Members 9 members

Ordinary Council members 49 Councillors

Related party balances

Debtors

Councillors overpayment 1 922 376 1 922 376

In the 2012/13 financial year, councillors were paid remuneration that was above gazetted limits.

A debtor was raised to account for the amounts owed

Compensation to Accounting Officer and Key Management

Municipal Manager 1 470 889 1 352 392

Chief Financial Officer 1 252 236 1 124 105

Senior Manager: Corporate services 1 252 781 1 119 006

Senior Manager: Community Services 1 217 198 1 114 071

Senior Manager: Engineering Services 1 168 888 1 115 146

Senior Manager: Development Planning 1 139 366 1 118 566

Mayor 882 585 775 061

Speaker 712 091 626 862

Councillors 20 890 135 18 242 725

Key management information

Class	Description	Number
Municipal manager	Accounting officer	1
Chief Financial Officer	Accounting Officer	1
Senior Manager: Corporate services	Senior Manager	1
Senior Manager: Development Planning	Senior Manager	1
Senior Manager: Engineering Services	Senior Manager	1
Senior Manager: Community Services	Senior Manager	1
Mayor	Councillor	1
Speaker	Councillor	1
Chief whip	Councillor	1
Executive committee	Councillors	9
Councillors	Councillors	49



Notes to the Audited Annual Financial Statements

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43. Prior Period Errors

The following adjustments were made to the prior year financial statements due to errors noted in the prior period financial statements and reclassifications introduced with the implementation of mSCOA from 1 July 2017.

Current Provisions

In the current year provision for staff leave as well as bonus provision have been reclassified from Payables from exchange transactions to the Provisions balance within current liabilities. The correction resulted in an increase of R11 885 202.

Agency Services

Agency services was introduced as an income statement item as a result of the introduction and implementation of mSCOA. .

This resulted in a reclassification of R842 878 from licences and permits to Agency Services.

Other Income

Other Income was reduced by R100 249 as a result of a reclassification to Commission received due to the introduction and implementation of mSCOA classifications.

Commission Received

The commission income balance of R100 249 was introduced as a stand-alone balance due to the introduction and implementation of mSCOA in the current year.

Licences and Permits

Agency services was introduced as in income statement item as a result of the introduction and implementation of mSCOA

This resulted in a reclassification of R842 878 from licences and permits to Agency Services

Receivables from Non-exchange Transactions

During the year it was discovered that in 2013/14 and 2014/15 there were government department's properties that were not billed for property rates.

The correction of this resulted in an increase in receivables from non-exchange transactions by R3 738 252.

VAT Receivable

During the current year we discovered that there were invoices that were not accounted for in the correct accounting period which resulted in an increase in accruals and the corresponding input VAT balance. .

The correction of errors resulted in an increase to the VAT receivable of R 14 306

Accumulated Surplus/Loss

During the preparation of financial statements various journals were processed in order to correct prior year figures.

The cumulative effect of all the changes that have occurred resulted in a net increase in the accumulated surplus by R3 563 660

Contracted Services

The Contracted Services balances was introduced as a result of the introduction and implementation of mSCOA. The correction of this error resulted in an increase of R11 616 361.

Repair and Maintenance

Notes to the Audited Annual Financial Statements

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The Repairs and Maintenance line item has been removed due to the introduction and implementation of mSCOA. This amount has been recorded in the Contracted Services balance that was introduced.

The effect of the above adjustments resulted to an decrease in of R5 017 008.

General Expenditure

Due to the implementation of mSCOA the General Expenditure line item has decreased by an amount of R6 538 512 which was reclassified to Contracted Services line item.

During the current year adjustments were made to general expenses as a result of accrual reversal that resulted in further decrease of General Expenditure line item. This resulted in a net decrease of R30 421 in the General Expenditure line item.

Employee Related Costs

During the year it was discovered that there were expenditure items that were recorded and paid as an accrual for the prior years.

The correction of these resulted in a decrease of R227 385.

Property, Plant and Equipment

During the year it was discovered that an invoice relating to the construction of Majazi Community Hall was not recorded in the correct period in the prior years.

The correction of this resulted in an increase in Work in Progress of R381 853

Payables from Exchange Transactions

During the current year it was discovered that there were invoices that were not accounted for in the correct accounting period which resulted in an increase in accruals for 2016/17. Employee related provisions were also reclassified out of this balance to the provisions balance with current liabilities. There was also a reversal of creditors due to age analysis not updating creditors that were already paid.

The correction of these has resulted in a net decrease of R11 314 451.

44. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments:

Statement of financial position

2017

	Note				
Receivables from Non-exchange Transactions	11				
VAT Receivable	12	As previously reported	Correction of error	Re-classifications	Restated
Property, Plant and Equipment	4				
Current Provisions	16	23 425 036	3 738 252	-	27 163 288
Payables from Exchange Transactions	18	16 052 285	14 306	-	16 066 591
Accumulated Surplus/ (Loss)		608 116 052	381 853	-	608 497 905
		(2 405 683)	-	(11 885 202)	(14 290 885)
		(36 906 868)	(570 751)	11 885 202	(25 592 417)
		(678 730 810)	(3 563 660)	-	(682 294 470)
		(70 449 988)	-	-	(70 449 988)

Notes to the Audited Annual Financial Statements

Figures in Rand

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44. Prior-year adjustments (continued)

Statement of financial performance 2017

	Note	As previously reported	Correction of error	Re-classifications	Restated
Agency Services	27	-	-	842 878	842 878
Commission Received		-	-	100 249	100 249
Other Income	25	1 151 248	-	(100 249)	1 050 999
Licences and Permits		3 289 147	-	(842 878)	2 446 269
Employee Related Costs	31	(84 245 062)	227 385	-	(84 017 677)
Contracted Services	55	-	-	(11 616 361)	(11 616 361)
Repairs and Maintenance		(5 017 008)	-	5 017 008	-
General Expenditure	29	(76 588 245)	(30 421)	6 599 353	(70 019 312)
Deficit for the year		(161 409 920)	196 964	-	(161 212 955)

Cash flow statement

2017

	Note	As previously reported	Correction of error	Restated
Cash flow from operating activities				
Sale of Goods		48 903 339	(3 752 559)	45 150 780
Employee Cost		(103 893 809)	227 385	(103 666 424)
Payments to suppliers		(125 469 713)	3 907 026	(121 562 687)
Cash flow from investing activities				
Purchase of				

(180 460 183) 381 852 (180 078 331)

(83 164 435) (381 853) (83 546 288)

45. Change in estimate Property,

plant and equipment

The useful lives of certain property, plant and equipment was estimated to be 2 - 21 years. In the current period management have revised their estimate to 2 - 26 years. The effect of this revision has decreased the depreciation charges for the current by R337 336. (2017: R2 174 492)-

This resulted in an increase in the carrying amount of certain property, plant and equipment by R337 336 (2017: R 2 174 492.)

The amount of the effect in future periods is not disclosed because estimating it is impracticable due to the quantity and the nature of the assets affected.



Notes to the Audited Annual Financial Statements

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2018

2017

46. Risk management**Financial risk management**

The municipality's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The municipality's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance. The municipality uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by a central treasury department (municipality treasury) under policies approved by the accounting officer. Municipality treasury identifies, evaluates and hedges financial risks in close co-operation with the municipality's operating units. The accounting officer provides written principles for overall risk management, as well as written policies covering specific areas.

Liquidity risk

The municipality's risk to liquidity is a result of the funds available to cover future commitments. The municipality manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilized borrowing facilities are monitored.

The table below analyses the municipality's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant

At 30 June 2018	Less than 1	Between 1 and	Between 2 and	Over 5 years
	year	2 years	5 years	
Trade and other payables	39 092 685	-	-	-
Consumer deposits	150 744	18 315	6 954	433 546
	39 243 429	18 315	6 954	433 546

At 30 June 2017	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	25 592 417	-	-	-
Consumer deposits	18 315	6 954	433 546	-
	25 610 732	6 954	433 546	-

Liquidity risk is mainly concentrated on the trade and other payables balance. The municipality does not have any collateral and/or credit enhancements that aid in the mitigation of the liquidity risk.



Notes to the Audited Annual Financial Statements

Figures in Rand	2018	2017
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46. Risk management (continued)**Credit risk**

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The municipality only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables comprise a widespread customer base. Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors.

The financial assets carried at amortized cost expose the municipality to credit risk. The value of the maximum exposure to credit risk are as follows for each class of financial assets at amortized cost

	2018	2017
Financial instrument		
Cash and cash equivalents	94 549 091	67 026 233
Other receivables from exchange transactions	2 401 593	1 768 551
Receivables from non-exchange transactions	26 079 876	27 163 288
Receivables from exchange transactions	9 292 947	7 528 525

47. Electricity Distribution Losses**Distribution losses in units for the period 2017-2018**

Unit purchase during the year	24 130 303	24 435 190
Unit sold during the year	(22 807 580)	(22 723 746)

1 322 723	1 711 444
------------------	------------------

Distribution losses in Rand for the period 2017 - 2018

Purchases	27 983 957	27 709 647
Prepaid consumer sold	(8 501 887)	(8 511 789)

Conventional consumer billed

(22 460 447) (21 331 151)

(2 978 377) (2 133 293)

48. Unauthorised expenditure

Opening Balance	138 880 737	123 513 486
Current Unauthorised	52 766 753	15 367 251
	191 647 490	138 880 737

Unauthorised expenditure incurred in the current year is made up of the following:

R 864 000 over expenditure from the municipal manager's office caused by legal fees that were more than the available funds including invoices that have been outstanding for the greater part of the year and depreciation that was budgeted for under budget and treasury but due to implementation of mSCOA it could not be processed where the budget is.

R 26 632 606 over expenditure from roadworks and engineering caused by overspending depreciation that has always been budget for in the budget and treasury office however due to mSCOA classification it was processed per vote

R401 628 over expenditure from environmental services within community servicers caused by the overspending in personnel budget

R24 868 519 over expenditure from electricity caused by the current year expenditure for completed electrification projects transferred to Eskom which were budget for in the capital budget within this vote. Before mSCOA the budget per vote was combined and reflected as one however after the implementation of mSCOA capital budget is a stand-alone amount from the operating budget.

The were no disciplinary actions taken against the municipality

Notes to the Audited Annual Financial Statements

Figures in Rand	2018	2017
49. Fruitless and wasteful expenditure		
Fruitless and wasteful expenditure	8 110 325	8 110 325
Fruitless expenditure for the year	144 638	67 260
Less: Written off by council	(25 765)	(67 260)
Less: Transferred to receivables	(82 831)	-
Less: SARS amounts for 2013/14 written off during the year	(3 947 261)	-
	4 199 106	8 110 325
Details of fruitless and wasteful expenditure incurred in the current year.		
Interest on overdue accounts for Eskom	112 232	67 260
Erratum and re-adverts	32 406	-
	144 638	67 260
50. Irregular expenditure		
Opening balance	10 438 208	11 302 573
Add: Irregular Expenditure - current year	2 955 433	2 911 457
Less: Written off by Council	(5 327 922)	(125 660)
Less: Correction approved for 2014/15	-	(1 546 596)
Less: Written off for 2014/15	-	(79 392)
Less: Transferred to Receivable in 2013/14	-	(2 024 174)
Less: Written off by council for 2013/14	(4 126 339)	-
Less: Written off by council for 2014/15	(2 878 760)	-
	1 060 620	10 438 208

Details of irregular expenditure – current year

Irregular expenditure incurred in the current year is made up of R2 542 126 which relates to current year expenditure on the contracts for electrification of Mpindweni village which was awarded using regulation 32 of the Municipal Supply Chain Management regulations, as well as R212 207 that relates to the an Eskom employee doing business with the municipality whilst in the services of the state. It was further discovered that an amount of R110 200 was as a result of a split procurement which resulted in an incorrect procurement process followed i.e. 3 quotations instead of a 7 day notice. Lastly there is an amount of R99 900 for the appointment of Amabongo Trading where there is no evidence that any procurement processes were followed.

Council has already passed a resolution to write-off an amount of R5 327 922 relating to expenditure incurred as a result of procurement made through regulation 32 of the Municipal Supply Chain Management regulations



Notes to the Audited Annual Financial Statements

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50. Irregular expenditure (continued)

Details of irregular expenditure in the prior year

In the 2013/14 audited financial statements an amount of R2 024 174 that was overpaid to councillors was reported to have been transferred to debtors however no movement was recorded in the Irregular expenditure disclosure note, leaving the total irregular expenditure overstated by the same amount.

Irregular expenditure incurred that was reported as incurred in 2016/17 amounted to R125 660 which resulted from the municipality doing business with a supplier that is not registered on the central supplier database as was required of all service providers from 1 July 2016. This relates to Progress Service Station who was supplying fuel for municipal plant. During the current financial year it was discovered that the appointments done under regulation 32 of the Municipal Supply Chain Management regulations should be classified as irregular due to the incorrect interpretation and application of the regulation. These amounted to R2 785 797 that was spent in the prior year.

In the 2014/15 financial year the MPAC recommended a write off amounting to R79 392 on the irregular expenditure however the note to the financial statements did not reflect the said recommendation resulting in an overstatement of the irregular expenditure balance.

During the 2014/15 statutory audit the AGSA identified an additional irregular expenditure amounting to R1 546 596 which was erroneously said not to have been recorded in the irregular expenditure register as disclosed in the AFS. This resulted in a duplication as these amounts were already recorded in the register submitted to AGSA for audit. The MPAC submitted a recommendation to council for these duplications to be removed and it was approved however the note was not adjusted accordingly.

Details of irregular expenditure in the prior year

Correction of corresponding amounts

Prior year irregular expenditure identified in the current year	-	2 785 797
Correction approved for 2014/15 not processed	-	(1 546 596)
Written-off in 2014/15 not processed	-	(79 392)

Transferred to receivables in 2013/14 not processed

- (2 024 174)

- (864 365)

In the analysis of irregular expenditure for prior years it was noted that there are amounts that were dealt with by council and no accounting entries were processed to reflect the decisions taken by council.

There was also irregular expenditure incurred in the prior year as a result of regulation 32 appointments that were only identified during the current year. These were as a result of differences in specifications, scope of work and timeframes of the contracts.

Above are the details of the irregular expenditure corrections in the prior year.



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	2018	2017
Figures in Rand		
50. Irregular expenditure (continued)		
Deviations from supply chain management regulations		
Deviations		
Split procurement	110 200	-
Amobongwe Trading	99 900	-
	210 100	-

Paragraph 12(1)(d)(i) of Government Gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the Treasury Supply Chain Regulations states that the accounting officer may dispense with the official procurement processes in certain circumstances, provided he records the reasons for any deviations and reports them to the next meeting of the council and include a note to the annual financial statements.

The deviations done in the current year relates to an amount of R110 200 was as a result of a split procurement which resulted in an incorrect procurement process followed i.e. 3 quotations instead of a 7 day notice, as well as an amount of R99 900 for the appointment of Amabongo Trading where there is no evidence that any procurement processes were followed.

Notes to the Audited Annual Financial Statements

Figures in Rand

2018

2017

51. Additional disclosure in terms of Municipal Finance Management Act Contributions

to organised local government

Opening balance	191	191
Current year fees	534 028	262 489
Amount paid - current year	(534 028)	(262 489)
	191	191

Audit fees

Opening balance	100 855	-
Current year fees	4 252 504	4 313 340
Amount paid - current year	(4 342 042)	(4 212 485)
	11 317	100 855

PAYE and UIF

	2 994	2 994
Opening balance	16 381 099	16 749 140
	(16 381 099)	(16 749 140)
Current year fees		
Amount paid - current year	2 994	2 994

Pension and Medical Aid Deductions

Opening balance	(8 262)	(13 742)
Current year fees	8 790 343	13 060 712
Amount paid - current year	(8 790 343)	(13 055 232)

(8 262)	(8 262)
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Skills Development Levy

	975 669	996 545
Current year fees	(975 669)	(996 545)
Amount paid - current year	-	-

VAT

VAT receivable	27 222 037 16 066 591
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All VAT returns have been submitted by the due date throughout the year.

Councillors' arrear consumer accounts

The following Councillors had arrear accounts outstanding for more than 90 days at 30 June 2018:

30 June 2018	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
Miss NN Mhlembana	602	5 750	6 352

30 June 2017	Outstanding less than 90 days R	Outstanding more than 90 days R	Total R
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Notes to the Audited Annual Financial Statements

Figures in Rand

2018

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51. Additional disclosure in terms of Municipal Finance Management Act (continued)

52. DBSA Loan

At amortised cost

DBSA loan

- 16 273 890

Current liabilities

At amortised cost

- 16 273 890

53. Events after the reporting date

During the month of September 2018, the municipality was served with papers of a court challenge by one service provider whose contract was terminated for non-performance claiming there were monies owing by the municipality to the service provider for works already performed before the termination notice which the municipality is opposing. The details of the matter are as follows:

- ☐ Treated timber products (Pty) Ltd and Thunzi Consulting (Pty) Ltd JV Modikeng vs Mbizana Local Municipality.
- ☐ The amount and outcome are not determinable at this point.

54. Fair value adjustments

Investment property (Fair value model)

337 930

132 270

55. Contracted services

Presented previously

Other Contractors

1 814 739

1 716 040

Outsourced Services

Administrative and Support Staff	1 246 523	-
Business and Advisory	4 407 122	-
Consultants and Professional Services		
Business and Advisory	67 000	-
Legal Cost	5 673 084	4 364 744
Contractors		
Artists and Performers	1 002 643	-
Audio-visual Services	218 530	-
Catering Services	4 676 202	-
Electrical	33 286 871	45 839
Employee Wellness	970	-
Maintenance of Buildings and Facilities	2 631 653	1 282 453
Plants, Flowers and Other Decorations	12 900	-
Safeguard and Security	5 063 785	4 207 285

60 102 022	11 616 361
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COGTA EC STANDARDISED PERFORMANCE INDICATORS

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
1	Vacancy rate for all approved and budgeted posts;	20	60	80%	None
2	Percentage of appointment in strategic positions (Municipal Manager and Section 57 Managers)	6	6	99%	01 Strategic position to be filled after the adjustment budget
3	Percentage of Section 57 Managers including Municipal Managers who attended at least 1 skill development training course within the FY	100%	100%	100%	None
4	Percentage of Managers in Technical Services with a professional qualification	01	01%	01%	None
5	Level of PMS effectiveness in the DM – (DM to report)	THE INFORMATION SHOULD BE REFLECTED IN A NARRATIVE FORM Only senior management have signed performance agreement and five managers were assessed under the year under review. There are planned workshops for officer and supervisors.			
6	Level of effectiveness of PMS in the LM – (LM to report)				
7	Percentage of staff that have undergone a skills audit (including competency profiles) within the current 5 year term	99%	99%	99%	None

	Indicator name	Total number of people (planned for) during the year under review	Achievement level during the year under review	Achievement percentage during the year	Comments on the gap
8	Percentage of councillors who attended a skill development training within the current 5 year term	15%	15%	15%	Budget is not enough to take all 62 councillors for training
9	Percentage of staff complement with disability	4	6%	6%	None
10	Percentage of female employees	48	72%	72%	none
11	Percentage of employees that are aged 35 or younger	36	52%	52%	none
12	Adoption and implementation of a District Wide/ Local Performance Management System	130	75%	75%	none

Chapter: Basic Service delivery performance highlights (KPA 2)

Annual performance as per key performance indicators in water services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the FY under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with	Not a Water Service Authority nor a				

	access to potable water	Water Service Provider.				
2	Percentage of indigent households with access to free basic potable water	Not a Water Service Authority nor a Water Service Provider				
3	Percentage of clinics with access to potable water					
4	Percentage of schools with access to potable water	Not a Water Service Authority nor a Water Service Provider				
5	Percentage of households in formal settlements using buckets	Not a Water Service Authority nor a Water Service Provider				

Annual performance as per key performance indicators in Electricity services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households with access to electricity services	36 951 (76 %)	11 496 (24%)	2586	417	16%
2	Percentage of indigent households with access to basic electricity services	Community Services	Community Services	Community Services	Community Services	Community Services
3	Percentage of indigent households with access to	Community Services	Community Services	Community Services	Community Services	Community Services

	free alternative energy sources					
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Annual performance as per key performance indicators in sanitation services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review	Number of HH/customer reached	Percentage of achievement during the year
1	Percentage of households with access to sanitation services	Not a Water Service Authority nor a Water Service Provider				
2	Percentage of indigent households with access to free basic sanitation services	Not a Water Service Authority nor a Water Service Provider				
3	Percentage of clinics with access to sanitation services	Not a Water Service Authority nor a Water Service Provider				
4	Percentage of schools with access to sanitation services	Not a Water Service Authority nor a Water Service Provider				

Annual performance as per key performance indicators in road maintenance services

	Indicator name	Total number of household/customer expected to benefit	Estimated backlogs (actual numbers)	Target set for the f. year under review (Actual numbers)	Number of HH/customer reached during the FY	Percentage of achievement during the year
1	Percentage of households without access to gravel or graded roads	33 249 (68.6%)	15 198 (31.4%)	1810	2064	114%
2	Percentage of road infrastructure requiring upgrade	13 300 (40%)	13 300 (40%)	386	312	80.83%
3	Percentage of planned new road infrastructure actually constructed	35 497 (73%)	12 950 (27%)	1810	2064	114%
4	Percentage of capital budget reserved for road upgrading and maintenance effectively used.	35 497 (73%)	12 950 (27%)	1810	2064	114%

Chapter: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT (KPA 4)

Annual performance as per key performance indicators in financial viability

	Indicator name	Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
1	Percentage expenditure of capital budget	R 117 250	R 83 164	71%
		Target set for the year (35%) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the operational budget
2	Salary budget as a percentage of the total operational budget	40% R 105 019	R 100 026	36%
		Target set for the year (20% or less) R(000)	Achievement level during the year R(000)	Achievement percentage during the year vs the actual revenue
3	Trade creditors as a percentage of total actual revenue	15% R 10 175	R 7 723	12%
		Target set for the year (80% and more) R(000)	Achievement level during the year R(000)	Achievement percentage during the year
4	Total municipal own revenue as a percentage of the total actual budget	19% R 63 971	R 66 920	21%
		Target set for the year R(000)	Achievement level during the year R(000)	Achievement percentage during the year
5	Rate of municipal consumer debt reduction	R 8 826		
6	Percentage of MIG budget appropriately spent	R 46 159	R 46 136	99.95%
7	Percentage of MSIG budget appropriately spent	0	0	0
8	AG Audit opinion	Unqualified		
9	Functionality of the Audit Committee			
10	Submission of AFS after the end of financial year	31 August 2017	31 August 2017	0

Chapter: GOOD GOVERNANCE AND PUBLIC PARTICIPATION- (KPA 5)

No	Indicator name	Target set for the year	Achievement level during the year (absolute figure)	Achievement percentage during the year
1	% of ward committees established	310	307	99.5%
2	% of ward committees that are functional	31	31	100%
3	Existence of an effective system to monitor CDWs	<p>Mbizana Municipality has only 21 CDW that are functional and Cogta is in the process recruiting of 10 CDWs. They form part of ward committees' monthly meetings which sits monthly and are secretaries of 31 ward war rooms established. CDW's submit their monthly reports to Cogta department and only submit quarterly reports to the municipality which become part of the speaker's report to ordinary council. They attend District round table meetings as per their provincial plan and the municipality assist them with transport. Local municipality give support to CDW s during the annually to conduct Know your CDW campaign in a ward with a launched project with the aim of resources mobilisation from other stakeholders to support that project. They have been actively participating in all the municipal programmes like IDP Representative Forum, Mayoral Imbizos, IDP, PMS & Budget Road shows, Annual Report public hearings and they are part of ward committee meetings and war rooms.</p>		
7	Number of mayoral imbizos conducted	2	2	100%

